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**Comprehensive  
Annual Financial Report  
of the**

**CITY OF DENHAM SPRINGS**

**Denham Springs, Louisiana**

**For the Fiscal Year Ended  
June 30, 2000**

**Prepared by the  
City of Denham Springs  
Accounting Department**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-17-01

CITY OF DENHAM SPRINGS  
DENHAM SPRINGS, LOUISIANA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2000

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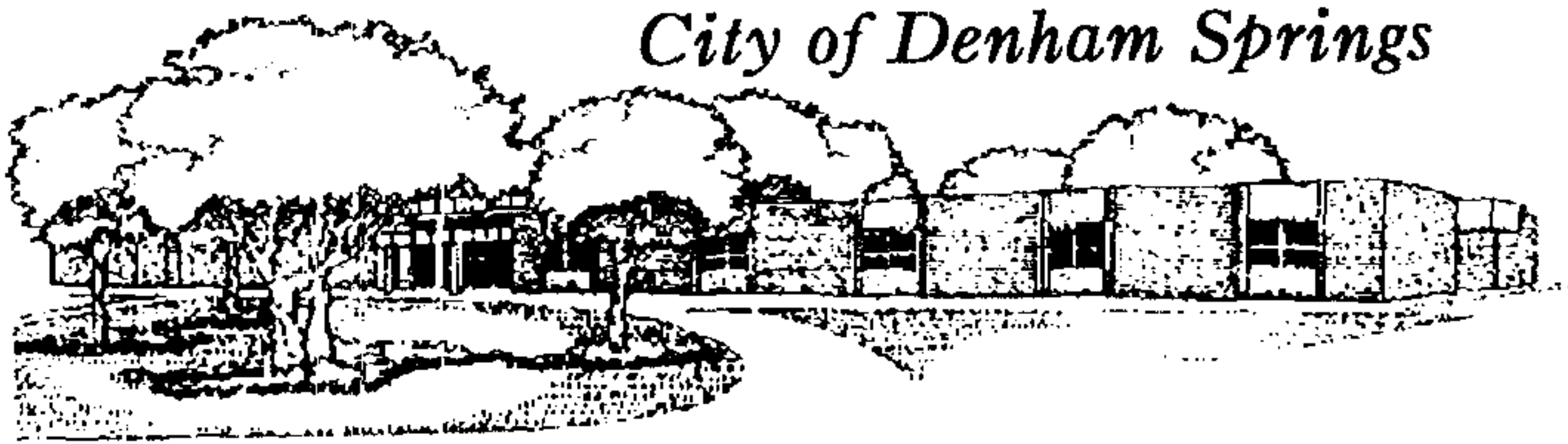
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## City of Denham Springs

**MAYOR**  
JAMES E. DELAUNE

**COUNCIL**  
BRENT A. DUGAS  
JAMES E. DURBIN  
ARTHUR L. PERKINS, SR.  
L. LAYTON RICKS, JR.  
STERLING VINCENT

**CITY CLERK**  
LERLINE BARNETT

**CITY TREASURER**  
CLARENCE SPEED, JR.

September 1, 2000

The Honorable Mayor and  
Members of the City Council  
City of Denham Springs  
P.O. Box 1629  
Denham Springs, LA 70727-1629

Dear Mayor and Council Members:

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Denham Springs for the fiscal year ended June 30, 2000. Sales tax revenues increased 13.51% over the prior year. Revenue growth together with responsible budgeting has resulted in the City of Denham Springs enjoying a sound financial position.

### REPORTING STANDARDS

The City has prepared this report using generally accepted accounting principles (GAAP). We believe the data, as presented, is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds and account groups. All disclosures necessary to enable readers to gain a maximum understanding of the City's financial affairs have been included. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the City of Denham Springs.

### REPORT OF ORGANIZATION

The CAFR is presented in three sections: Introductory, Financial, and Statistical. The introductory section includes a table of contents, this letter of transmittal, a list of principal elected officials, and the government's organizational chart. The financial section includes the independent auditor's report on the financial statements and schedules, the general-purpose financial statements, and the combining, individual fund and account group statements and schedules. The statistical section includes selected financial and nonfinancial data, as well as demographic data to aid CAFR users and others to understand the financial activities of the City of Denham Springs.

POST OFFICE BOX 1629  
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FAX 225-667-1584

## SINGLE AUDIT

During the current fiscal year, the City was required to undergo a single audit in conformance with the provisions of the revised Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Information related to this Single Audit including the Schedule of Expenditures of Federal Awards and the auditor's reports on Compliance and on the Internal Control Structure, is included in a separately issued report and is available upon request.

## THE REPORTING ENTITY

The financial reporting entity consists of all funds under the auspices of the Mayor, and the City Council, and organizations for which the primary government is financially accountable. The City Court of Denham Springs - Ward II and the Marshall of the City Court of Denham Springs are considered component units according to criteria set forth under Governmental Accounting Standards Board (GASB) Statement No. 14. This criteria is explained fully in the Notes to Financial Statements under Financial Reporting Entity.

## SERVICES PROVIDED

The City provides a full range of services to the community which include: police and fire protection, maintenance of streets and drainage, animal control, cemetery, general administrative services, planning and development, main street program, health services, gas services, water services, sewer services, recycling, and solid waste disposal.

## ECONOMIC CONDITION AND OUTLOOK

The City of Denham Springs is located on the eastern side of Livingston Parish and is adjacent to East Baton Rouge Parish which contains the capital city of Baton Rouge and is a major industrial area. The population in areas near Denham Springs continues to grow as residents relocate to Livingston Parish to enjoy lower crime rates and a respected school system. Retailers are following the population growth and are locating or expanding operations within the City of Denham Springs. Availability of commercial properties with city services including police and fire protection are major factors with retailers deciding to locate here.

Although sales tax collections seem to have leveled out recently, commercial growth seems to be continuing and therefore, population and economic growth also seems to be continuing. Recent projects that support this outlook are the rebuilding of two large convenience and gasoline stores next to the interstate, the construction of a large new building to be occupied by a new heating and air conditioning business, the expansion of a major mobile home sales office, the construction of several new office buildings along Highpoint Boulevard as well as around the Denham Springs Post Office Complex.



A Baton Rouge hospital has purchased 11 acres on Range Avenue to construct a new medical complex while another Baton Rouge hospital has purchased a much smaller piece of property on Highpoint Boulevard to construct their offices. And finally, a major food store plans to begin construction in 2001. Based on these projects, we believe that sales tax revenues will again show strong future growth.

### MAJOR INITIATIVES

**For the Year:** The City continues to allocate funds for infrastructure improvements, equipment replacement and service improvements. Projects and service improvements during the fiscal year include:

- The City was prepared for the Y2K computer compliance requirements.
- The Municipal Building addition was completed and provides new facilities for the City Court/Ward Two Court and Marshal.
- Completed the 1999-2000 Capital Improvement Program that resurfaced streets and completed drainage projects with expenditures of approximately \$715,000.
- The Wastewater Treatment Facility construction project was completed. The project updated and expanded the existing rock reed filter system with project costs of approximately \$3,600,000. An E.P.A. grant for \$3,500,000 was used to fund this project.
- Equipment in the amount of \$512,578 was acquired for the general fund, and equipment in the amount of \$175,988 was acquired for the utility fund. Most equipment purchases were replacements.

**For the Future:** The City will continue to improve services and upgrade infrastructure. Projects planned for the future include:

- Acquire replacement equipment during fiscal year 2001 estimated to cost approximately \$675,000 for the general fund.
- Begin the relocation of the gas line near the Amite River bridge in advance of the State's project to replace the bridge.
- Begin construction of the Range Avenue pairing project.
- Complete renovation of the Brignac Street elevated water tower at an estimated cost of \$249,000.
- Complete the acquisition of right of ways for, and begin construction of, the new sewer force main from Pete's Highway to the new Wastewater Treatment Facility. Begin renovation of the Pete's Highway pump station. These projects are estimated to cost \$1,000,000.
- The City has contracted with Capital Region Planning Commission for a study of potential annexations. Included are areas where federally funded construction of new interstate interchanges are planned for Pete's Highway and Juban Road. The area under consideration will add about 5,000 citizens and new commercial areas. The annexation process may require up to five years to complete.

- Planning and funding sources are being studied for an upgrade of Tate Road from Range Avenue and an extension of Tate Road to Juban Road. This curb and gutter street will provide access for the new high school to be built, provide a link to the new interstate interchange and provide new commercial areas. This area is within the area under consideration for annexation. This is a project also expected to require three to five years to complete.
- Continue the planning and accumulation of information necessary to convert the City of Denham Springs to the new government reporting model required by Governmental Accounting Standards Board Statement No. 34.
- Begin sidewalk construction along Range Avenue and Hatchell Lane. Estimated cost of this project is approximately \$515,000.

### INTERNAL CONTROL

The management of the City of Denham Springs is responsible for establishing and maintaining internal control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures. The objectives of internal control are to provide management with reasonable but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles.

We believe that the City's internal controls adequately safeguards assets and provides reasonable assurance of the proper recording of financial transactions.

### ACCOUNTING SYSTEM AND BUDGETARY CONTROL

An explanation of the City's accounting and budgetary policies is contained in the Notes to the Financial Statements. Explained in detail are the basis of accounting, fund structure and other significant information regarding accounting and budgetary policies. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City. Activities of the General Fund, and Capital Projects Funds are included in the annual appropriated budget. In addition, a "financial plan" was utilized for the Enterprise Fund, Internal Service Fund, and Cemetery Trust Fund.

### GENERAL GOVERNMENTAL FUNCTIONS

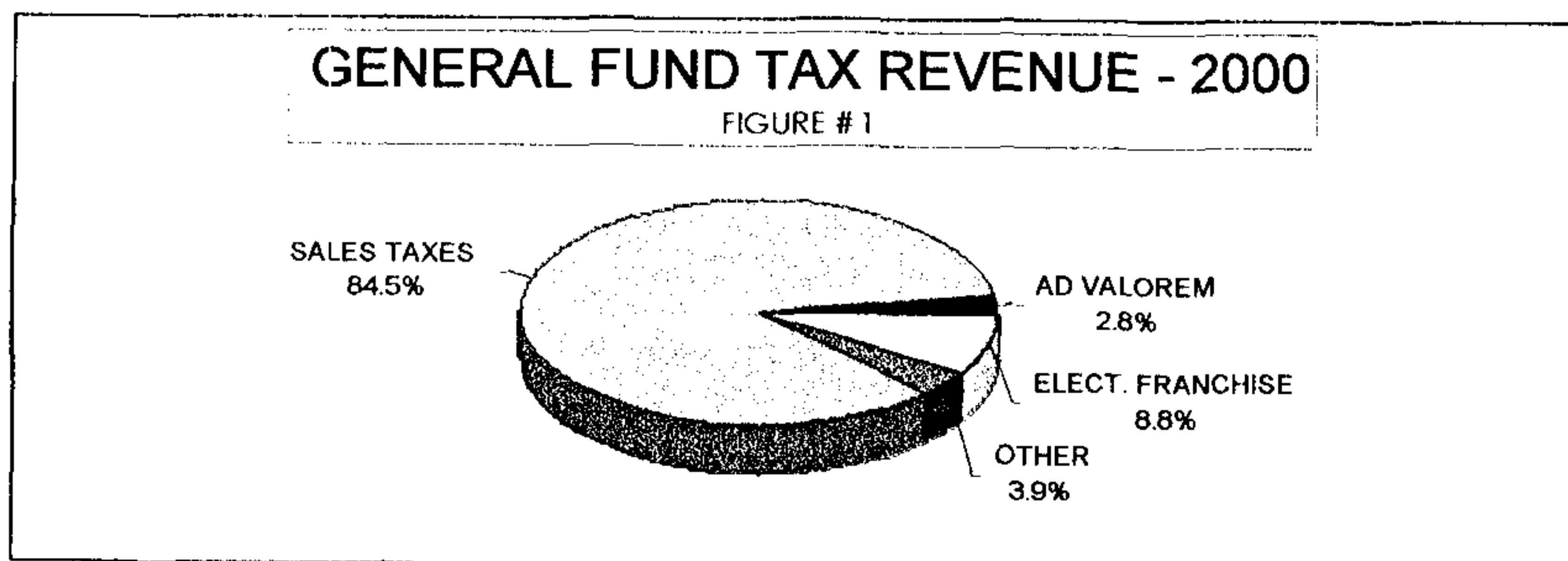
The general government operations of the City are accounted for in the General Fund and consists of the following departments: General Administrative, Cemetery, Tax, Ward Court, Planning and Development, Public Service Workers, Public Safety (Animal Control, Fire and Police), Highways and Streets, Health, and Culture and Recreation. The revenues to fund these departments consist of taxes, licenses and permits, fines and forfeits, 911 service fees and other miscellaneous revenues.

The schedule below presents a summary of revenues of the General Fund for the years ended June 30, 2000 and 1999, and the percentage increases (decreases) from the prior year.

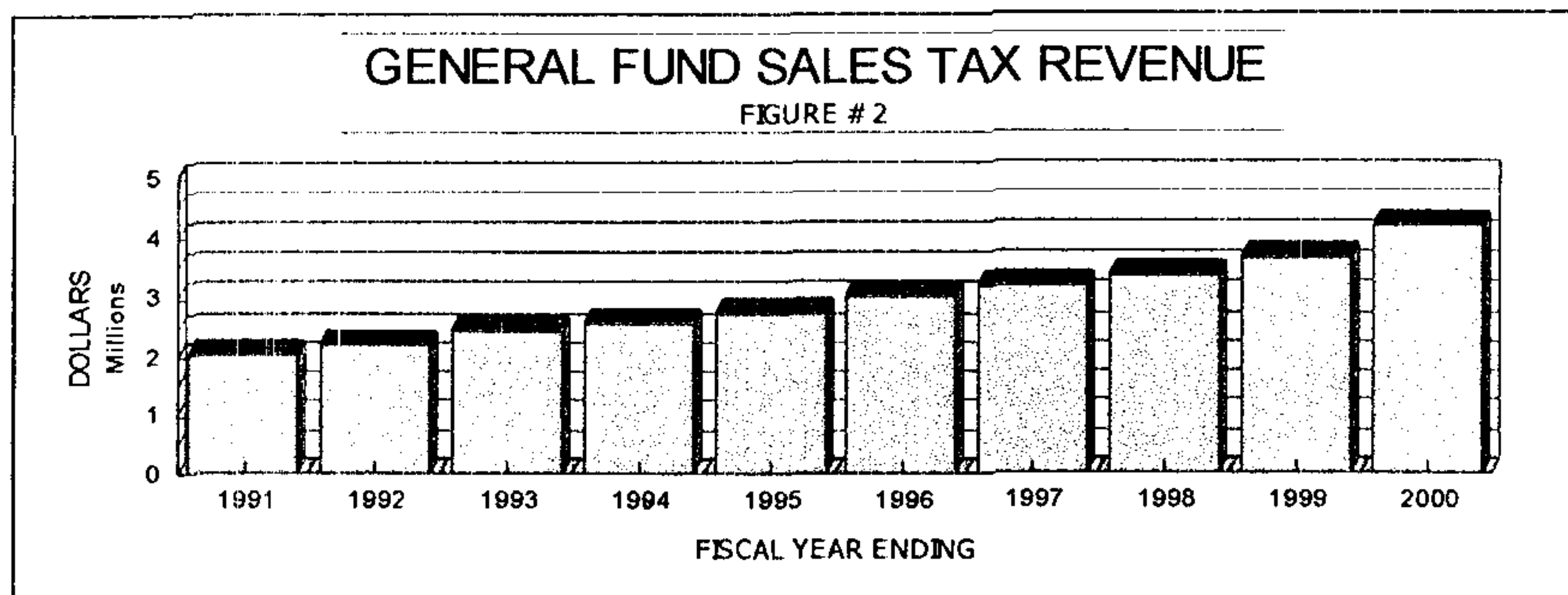
**GENERAL FUND REVENUES:**

SOURCES OF REVENUES	2000		1999		INCREASE (DECREASE) OVER 1999	PERCENT INCREASE (DECREASE) OVER 1999
	REVENUES	PERCENT OF TOTAL	REVENUES	PERCENT OF TOTAL		
Taxes	\$4,908,105	75.0%	\$4,521,898	73.9%	\$386,207	8.5%
Licenses and Permits	658,740	10.1	625,763	10.2	32,977	5.3%
Fines and Forfeits	205,178	3.1	174,827	2.9	30,351	17.4%
911 Service Fees	188,662	2.9	185,202	3.0	3,460	1.9%
Miscellaneous	579,314	8.9	609,994	10.0	(30,680)	(5.0)%
Total	\$6,539,999	100.0%	\$6,117,684	100.0%	\$422,315	6.9%

For the year ended June 30, 2000, General Fund Revenues and Other Sources exceeded Expenditures and Other Uses by \$517,274. The collection of taxes, accounts for 75.0% of the General Fund Revenues. Figure #1, as shown below, indicates the types and percentages of taxes collected for the year ended June 30, 2000. The City of Denham Springs collects a 1.5% sales tax. This sales tax generated \$4,149,183 of the General Fund Revenue or 63.4% of the total general fund revenues. Sales tax revenue increased 13.51% in the past fiscal year. Figure #2, as shown on page xi, presents the past ten years of sales tax collections. As indicated by these charts and figures the City of Denham Springs General Fund relies heavily on sales tax revenue and this revenue has been increasing by an average of 7.95% over the past ten years.







The schedule below presents a summary of expenditures of the General Fund for the years ended June 30, 2000 and 1999, and the percentage increases (decreases) from the prior year.

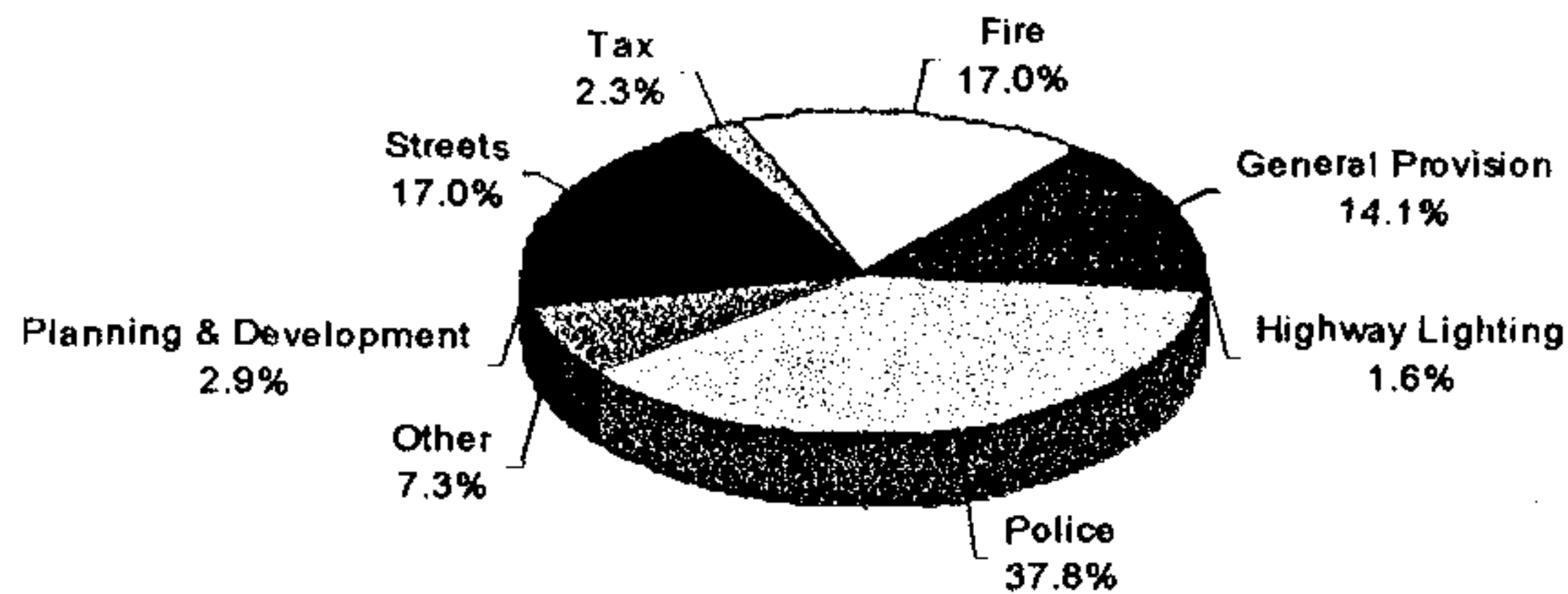
**GENERAL FUND EXPENDITURES:**

EXPENDITURES BY FUNCTION	2000		1999		INCREASE (DECREASE) OVER 1999	PERCENT INCREASE (DECREASE) OVER 1999
	EXPENDITURES	PERCENT OF TOTAL	EXPENDITURES	PERCENT OF TOTAL		
General						
Provisions	\$ 797,211	14.1%	\$ 609,259	12.8%	\$187,952	30.85%
Cemetery	84,230	1.5	63,710	1.3	20,520	32.21
Tax	127,521	2.3	115,097	2.4	12,424	10.79
Ward Court	48,649	.9	47,611	1.0	1,038	2.18
Planning						
and						
Development	164,428	2.9	129,454	2.7	34,974	27.02
Public Service						
Workers	86,852	1.5	73,085	1.5	13,767	18.84
Summer Food						
Program	-	0.0	7,997	.2	(7,997)	(100.00)
Animal Control	47,983	.8	50,962	1.1	(2,979)	(5.85)
Fire	962,111	17.0	909,489	19.1	52,622	5.79
Police	2,141,501	37.8	1,840,913	38.7	300,588	16.33
Streets	964,989	17.0	730,310	15.3	234,679	32.13
Highway						
Lighting	92,364	1.6	90,019	1.9	2,345	2.61
Health	33,450	.6	36,144	.8	(2,694)	(7.45)
Culture						
and						
Recreation	<u>115,873</u>	<u>2.0</u>	<u>56,570</u>	<u>1.2</u>	<u>59,303</u>	104.83
Total	\$5,667,162	100.0%	\$4,760,620	100.0%	\$906,542	19.04%



## GENERAL FUND EXPENDITURES -2000

FIGURE # 3



As indicated in the schedule on page xi, General Provisions expenditures increased \$187,952. This was due primarily to the purchase of a building on Hummell Street in the amount of \$115,000 and an increase in legal and professional fees in the amount of \$33,653. Cemetery expenditures increased by \$20,520 or 32.21%. This was caused by the purchase of \$14,802 of equipment and the increase in payments of \$4,868 due to a full year on a maintenance contract. The increase in the Tax Department was caused by an increase in salaries of \$6,079 and an increase in sales tax collection fees of \$7,290 caused by the increase in total sales tax collected. The increase in the Planning and Development Department of \$34,974 was caused primarily from the increased salary and benefits paid for the addition of another employee in the amount of \$23,750 and the increase in professional fees of \$7,915. Expenditures in the Public Service Workers Department increased by \$13,767 which was caused by the purchase of a new vehicle in the amount of \$15,550. The decrease in the Summer Food Program was caused by the City's discontinuance of their sponsorship of the program after the summer of 1998. Fire Department expenditures increased by \$52,622 which was primarily caused by the increase in salaries and benefits of \$16,926, the increase in equipment purchases of \$17,761, and the increase in department training expenses of \$8,674. Police Department expenditures increased by \$300,588 caused by the increase in salaries and benefits of \$147,858, the increase in equipment purchases of \$99,848 (replaced 8 police vehicles), and the increase in equipment expenses of \$32,782. The increase in the Street Department of \$234,679, was caused by increased salaries and benefits caused by the addition of employees in the amount of \$89,297, the increase in equipment purchases of \$111,344, and the increase in equipment expense and rental caused by the older equipment in the amount of \$27,246. Culture and recreation expenditures increased by \$59,303 and was caused by adding an Arts Council in the current fiscal year and allocating \$24,916 for expenditures, in addition the Main Street Program made renovations (window units) to the Old City Hall in the amount of \$32,807.

## UTILITY ENTERPRISE FUND

The Enterprise Fund consists of Gas, Water, Sewer, and Sanitation Services. The City has 4,462 gas customers, 6,141 water customers, 5,188 sewer customers, and 3,215 sanitation customers. The Enterprise Fund has \$1,966,332 in unrestricted Certificates of Deposits. Property, Plant and Equipment (net of accumulated depreciation) is stated at cost and totals \$15,440,406.

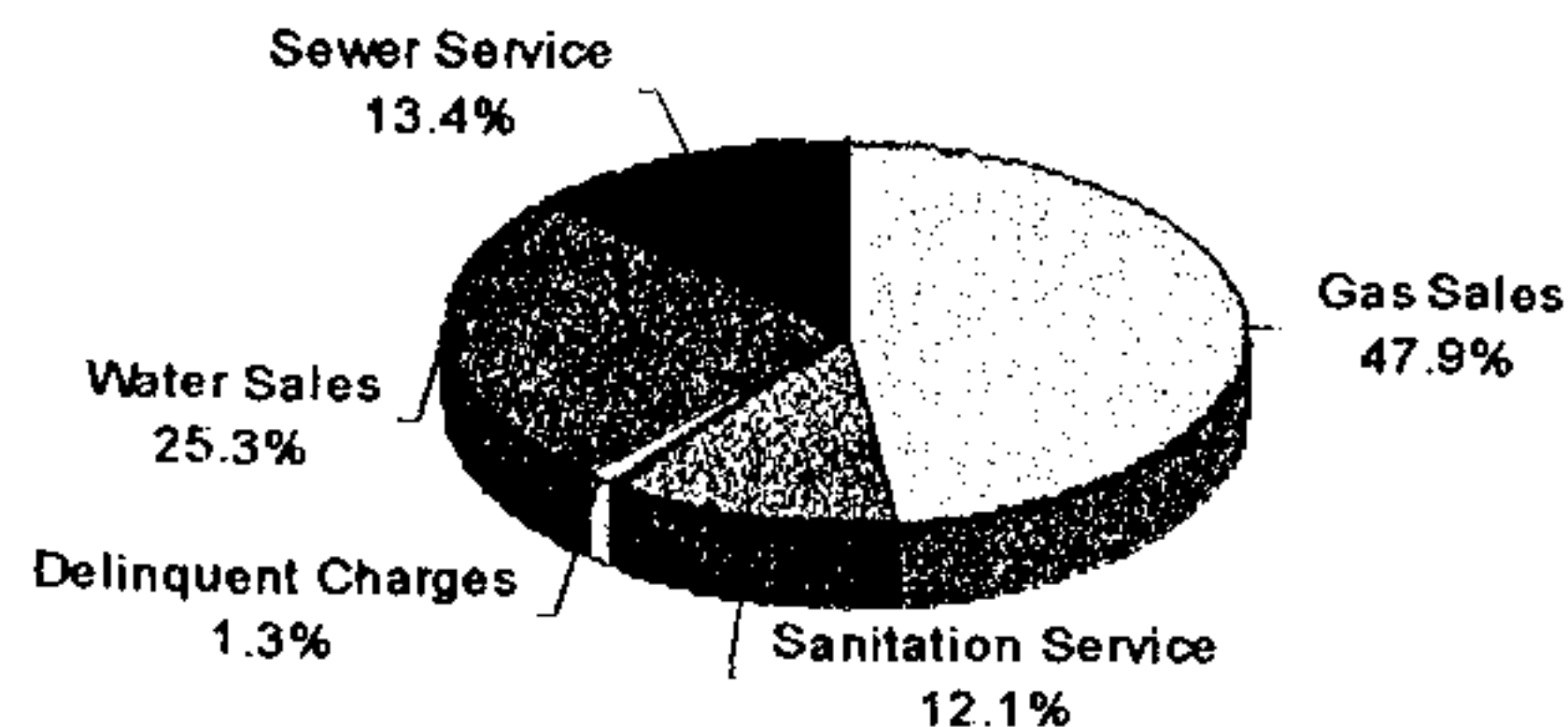
The schedule below and on page xiv, present a summary of operating revenues and operating expenses of the Utility Enterprise Fund for the years ended June 30, 2000 and 1999, and the percentage increases (decreases) from the prior year.

### OPERATING REVENUE:

SOURCES OF REVENUES	2000		1999		INCREASE (DECREASE) OVER 1999	PERCENT INCREASE (DECREASE) OVER 1999
	REVENUES	PERCENT OF TOTAL	REVENUES	PERCENT OF TOTAL		
Gas Sales	\$1,957,115	47.9%	\$1,725,881	45.1%	\$231,234	13.40%
Water Sales	1,035,442	25.3	1,022,172	26.7	13,270	1.30
Sewer Service	545,411	13.4	541,764	14.2	3,647	.67
Sanitation Service	492,652	12.1	486,221	12.7	6,431	1.32
Delinquent Charges	<u>54,542</u>	<u>1.3</u>	<u>47,444</u>	<u>1.3</u>	<u>7,098</u>	14.96
Total	<u>\$4,085,162</u>	<u>100.0%</u>	<u>\$3,823,482</u>	<u>100.0%</u>	<u>\$261,680</u>	6.84%

### UTILITY ENTERPRISE FUND OPERATING REVENUE - 2000

FIGURE # 4

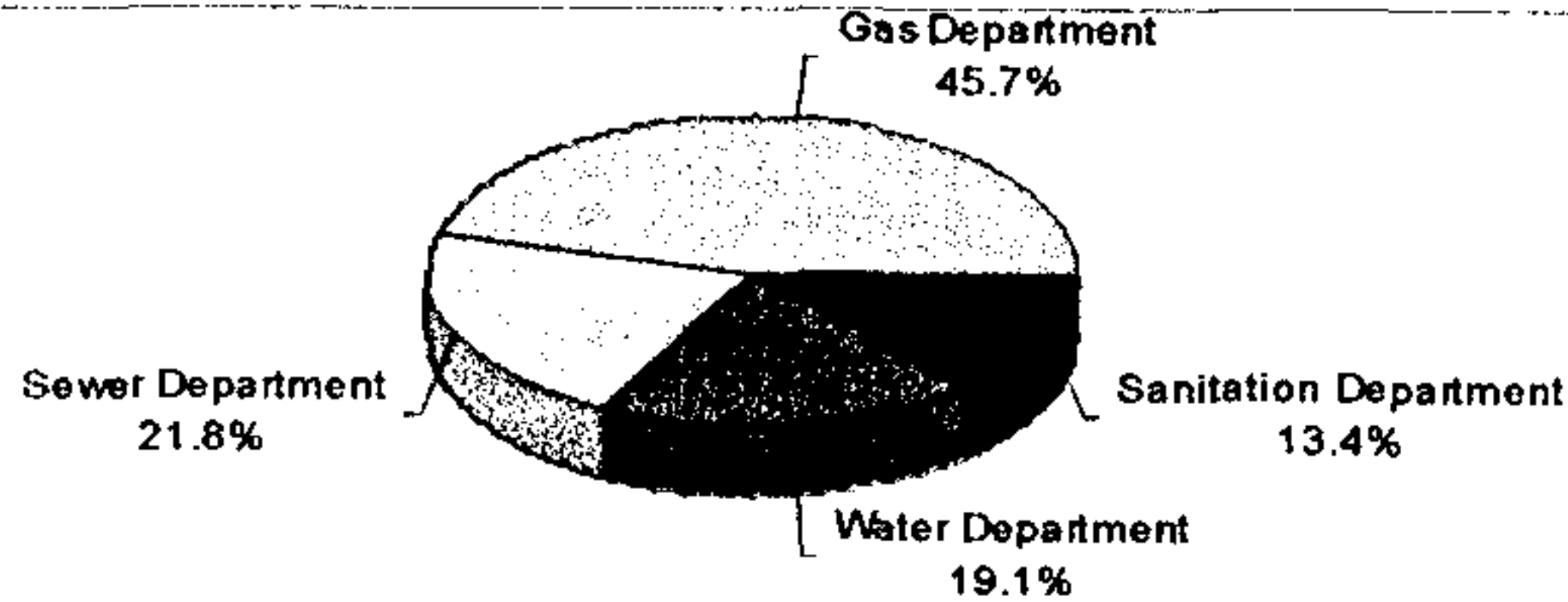


## OPERATING EXPENSES:

FUNCTION OF EXPENSES	2000		1999		INCREASE (DECREASE) OVER 1999	PERCENT INCREASE (DECREASE) OVER 1999
	EXPENSES	PERCENT OF TOTAL	EXPENSES	PERCENT OF TOTAL		
Gas Dept.	\$1,787,973	45.7%	\$1,550,153	43.3%	\$237,820	15.3%
Water Dept.	745,576	19.1	738,061	20.6	7,515	1.0
Sewer Dept.	851,999	21.8	765,938	21.4	86,061	11.2
Sanitation Dept.	523,864	13.4	525,458	14.7	(1,594)	(.3)
Total	\$3,909,412	100.0%	\$3,579,610	100.0%	\$329,802	9.2%

### UTILITY ENTERPRISE FUND OPERATING EXPENSES - 2000

FIGURE # 5



The Gas Department revenue increased by \$231,234 and natural gas purchases increased by \$178,864 each being the direct result of the increase in the cost of an MCF of natural gas. The average cost of an MCF of natural gas increased by approximately 23% over that of the prior year. Water sales and Sanitation Service fees both increased due to the increase in customers.

### EXPENDABLE CEMETERY TRUST FUND

The Expendable Cemetery Trust Fund was established by the City on June 28, 1993, to account for the revenues generated from the sale of cemetery plots and the interest earned by the cash and investments of the fund. The initial funding of \$150,000 was transferred from the General Fund on July 1, 1993.

The Expendable Cemetery Trust Fund will continue to accumulate the revenues generated from the sale of cemetery plots and the interest earned by the investments until such time as the interest earned by the investments fully cover the expenditures of the Cemetery maintenance department. At this time, the Fund balance of the Expendable Cemetery Trust Fund is \$412,377. For the year ended June 30, 2000, the expenditures of the Cemetery department was \$84,230 which was funded by General Fund revenues.



## DEBT ADMINISTRATION

The City of Denham Springs has no general obligation debt. There is a Special Assessment debt with a balance of \$39,963 as of June 30, 2000. This Special Assessment debt occurred when the City issued its 1993 Paving Certificates of Indebtedness to be used for the street overlay project within the Lakeland Acres Subdivision. These Certificates of Indebtedness will be repaid by the assessment on the property owners of the Lakeland Acres Subdivision. In addition, the Utility Enterprise Fund at June 30, 2000, has outstanding one Revenue Bond with an unpaid balance of \$1,295,008. The City on July 17, 1998, advance refunded its 1989 Utility Revenue Refunding Bonds bearing an annual interest rate of 11.0% with the issuance of its 1998 Utility Revenue Refunding Bond with an annual interest rate of 7.2%. In addition, due to the reduction in the interest rate and the application of the interest savings to the principal of the new bonds, the City also reduced the remaining life of the old bonds from April 1, 2016 to April 1, 2006.

At the present time the City's outstanding bond has not been rated.

A summary of the certificates of indebtedness and revenue bond activities for 2000 is shown below.

	Balance Outstanding <u>June 30, 1999</u>	<u>Additions</u>	<u>Reductions</u>	Balance Outstanding <u>June 30, 2000</u>
1993 Paving Certificates of Indebtedness	\$ 53,284	\$ -	\$ 13,321	\$ 39,963
1998 Utility Revenue Refunding Bond	<u>1,514,447</u>	<u>-</u>	<u>219,439</u>	<u>1,295,008</u>
Totals	<u>\$1,567,731</u>	<u>\$ -</u>	<u>\$ 232,760</u>	<u>\$1,334,971</u>

## TREASURY ADMINISTRATION

The City of Denham Springs conservatively invests its funds in short term certificates of deposits through its current fiscal agent, Hibernia National Bank. Investments are collateralized with securities pledged by the financial institution and held in our name by an approved third-party custodial bank. Procedures followed and securities pledged are in accordance with the Statutes of the State of Louisiana.

## RISK MANAGEMENT

During the fiscal year ended June 30, 2000 management believes the City is fully insured for all major risks, such as General Liability, Workmen's compensation, Employee and Public Official Fidelity Bonds, and Fire Extended Coverage and Flood Insurance. The City maintains no self-insurance program at June 30, 2000.



## INDEPENDENT AUDIT

State statutes require an audit by an independent certified public accountant on an annual basis. The audit has been completed, and the firm's opinion covers the basic financial statements of the financial section of the report only. The general purpose financial statements and the combining and individual fund and account group statements constitute the basic financial statements.

## TRANSMITTAL LETTER OF THE CAFR

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to City of Denham Springs for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 1999. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report.

In order to be awarded a Certificate of Achievement for Excellence by GFOA, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Denham Springs received a Certificate of Achievement for the fiscal year 1999. I believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for a certificate.

## ACKNOWLEDGMENT

It is our desire that this report contain the necessary information and data which will provide a better understanding of the operations of the City. It is further hoped that this report has been designed in a manner to be used as an administrative tool and general source of information so as to enhance our accountability to the public.

Special recognition is due to the Administrative Office Staff whose daily efforts result in the proper handling of the City's financial affairs and the successful completion of this report.

Appreciation is also expressed to the Mayor and City Council for their support in planning and conducting the financial affairs of the City in a responsible and progressive manner.

Respectfully submitted,

CITY OF DENHAM SPRINGS



Clarence E. Speed, Jr.  
City Treasurer

CITY OF DENHAM SPRINGS  
PRINCIPAL ELECTED OFFICIALS

JUNE 30, 2000

Mayor:

James E. Delaune

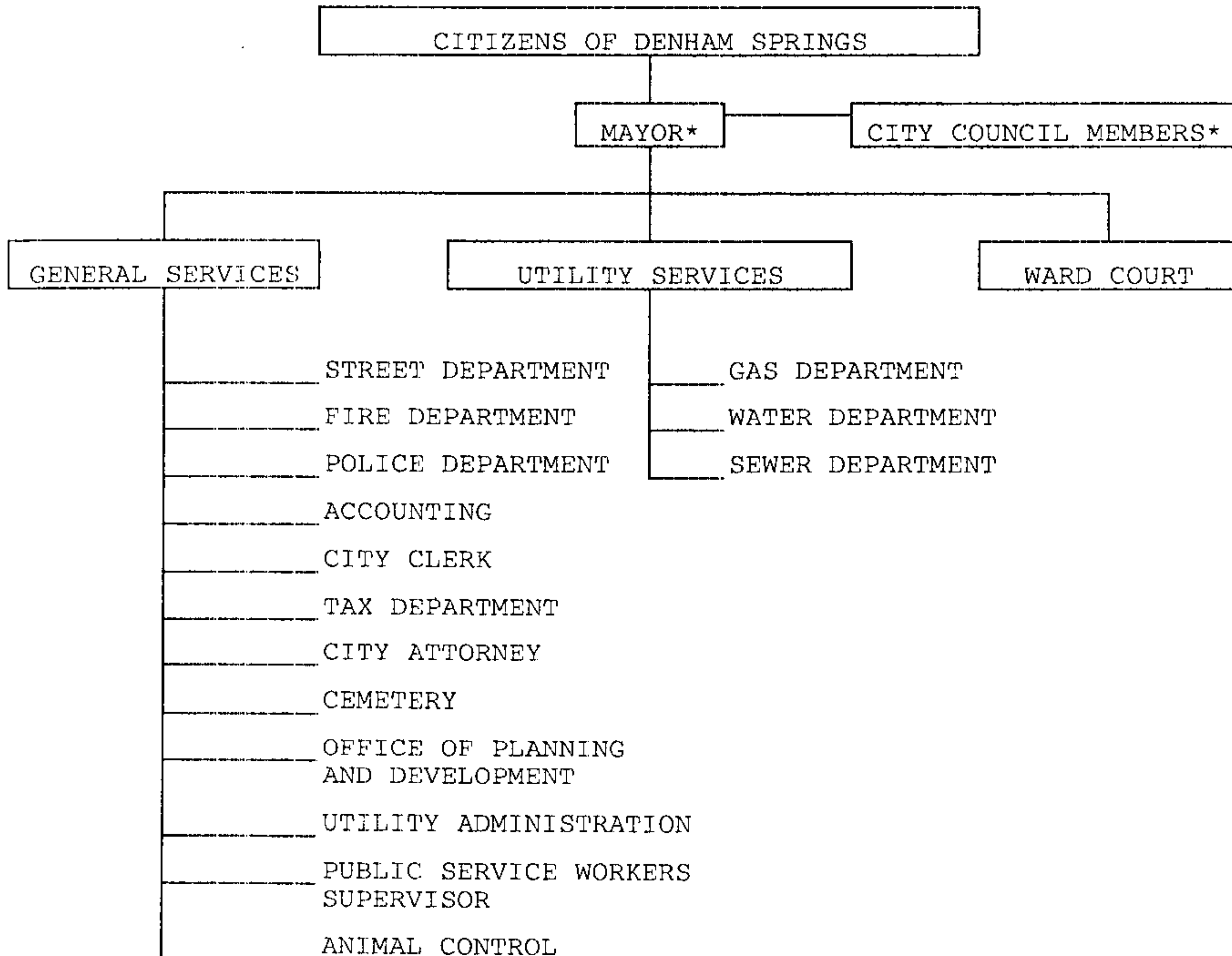
City Council Members:  
Current Terms Expire December 31, 2002:

James E. Durbin  
Arthur Perkins  
Sterling Vincent  
Brent Dugas  
Layton Ricks

CITY OF DENHAM SPRINGS

ORGANIZATIONAL CHART

June 30, 2000



\* ELECTED OFFICIALS

# Certificate of Achievement for Excellence in Financial Reporting

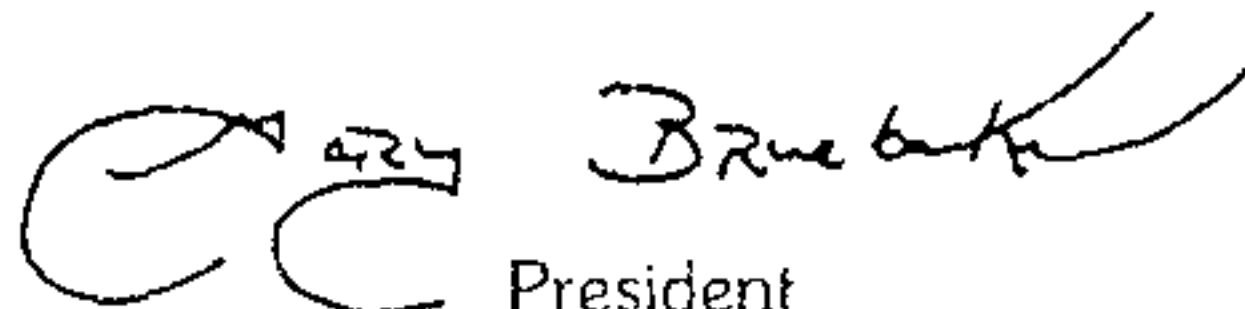
Presented to

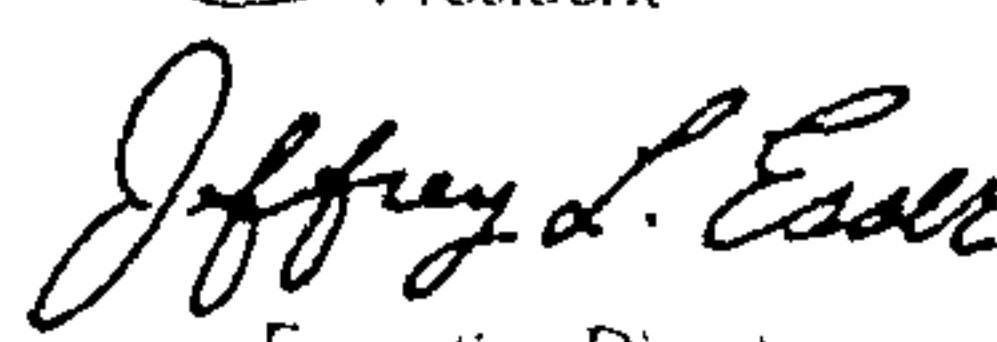
City of Denham Springs,  
Louisiana

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 1999

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



  
President

  
Executive Director





Randy J. Bonneau, CPA\*  
Joseph D. Richard, Jr., CPA\*  
Ronnie E. Stamper, CPA\*  
Fernand P. Genre, CPA\*  
Stephen M. Huggins, CPA\*  
Monica L. Zumo, CPA\*  
Ronald L. Gagnet, CPA\*  
Douglas J. Nelson, CPA\*  
Celeste D. Viator, CPA\*  
Laura E. Monroe, CPA

\*A Professional Accounting Corporation

1175 Del Este Avenue, Suite B  
Denham Springs, LA 70726  
Phone: (225) 665-8297  
Fax: (225) 667-3813

*Members American Institute of  
Certified Public Accountants*

2322 Tremont Drive, Suite 200  
Baton Rouge, LA 70809

September 1, 2000

INDEPENDENT AUDITOR'S REPORT

The Honorable James E. DeLaune, Mayor  
and Members of the City Council  
Denham Springs, Louisiana

We have audited the accompanying general purpose financial statements of the City of Denham Springs, Louisiana, as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

In addition, Hannis T. Bourgeois, LLP, acting separately, audited the financial statements of each of the component units discretely presented in the City of Denham Springs general purpose financial statements. The component units audited by us, separately, account for 100% of the assets, liabilities, revenues, expenditures and other sources (uses) of the financial resources of the component units.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Denham Springs, Louisiana, as of June 30, 2000, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining, individual

The Honorable James E. DeLaune  
and Members of the City Council  
City of Denham Springs, Louisiana

fund, and account group financial statements, referred to above, present fairly, in all material respects, the financial position of each of the individual funds and account groups of the City of Denham Springs, Louisiana, at June 30, 2000, and the results of operations of such funds and the cash flows of the individual proprietary funds for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated September 1, 2000 on our consideration of the City of Denham Springs' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audits were made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining, individual fund, and account group financial statements. The accompanying financial information listed as Schedule of Compensation of City Council Members in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose, combining, individual fund, and account group financial statements of the City of Denham Springs, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining, individual fund, and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to such financial statements taken as a whole.

The accompanying financial information listed in the Statistical Section as Schedules 2-17 is also presented for purposes of additional analysis and is not a required part of the financial statements of the City of Denham Springs, Louisiana. This information has not been audited by us, and accordingly we express no opinion on the information.

Respectfully submitted,

*Hannis J. Bourgeois, LLP*

GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS - OVERVIEW)

**CITY OF DENHAM SPRINGS**

**COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS  
AND DISCRETELY PRESENTED COMPONENT UNITS**

JUNE 30, 2000

	<u>GOVERNMENTAL FUND TYPES</u>			<u>PROPRIETARY FUND TYPES</u>	
	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
<b>ASSETS AND OTHER DEBITS</b>					
Cash and Cash Equivalents	\$ 1,040,808	\$ 30,611	\$ 75,955	\$ 956,717	\$ 26,338
Investments, at Fair Value	900,000	-	200,000	1,966,332	-
Receivables (Net of Allowance for Uncollectibles):					
Accounts	-	-	-	231,885	-
Special Assessments	-	16,612	-	-	-
Other	171,225	234	14,994	69,343	-
Unbilled Utility Sales	-	-	-	161,992	-
Due from Other Funds	-	-	515,896	-	9,040
Due from Other Governments	292,253	-	66,205	10,000	-
Due from Component Units	2,511	-	-	-	-
Inventory, at Cost	-	-	-	117,434	14,602
Prepaid Expenses	-	-	-	13,066	370
Restricted Assets:					
Investments, at Fair Value	-	-	-	465,000	-
Fixed Assets (Net of Accumulated Depreciation)	-	-	-	15,440,406	19,979
Other Assets	151,536	-	-	-	234
Other Debits:					
Amount Available in Debt Service Fund for Payment of the 1993 Paving Certificates	-	-	-	-	-
Amount to be Provided from Special Assessment Receivables	-	-	-	-	-
Amount to be Provided for Accumulated Unpaid Vacation	-	-	-	-	-
 Total Assets and Other Debits	 <u>\$ 2,558,333</u>	 <u>\$ 47,457</u>	 <u>\$873,050</u>	 <u>\$ 19,432,175</u>	 <u>\$ 70,563</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 75,437	\$ -	\$ 20,510	\$ 168,732	\$ 8,801
Retainages Payable	-	-	33,819	51,812	-
Payroll Taxes Payable	234	-	-	-	-
Retirement and Group Insurance Payable	2,455	-	-	-	-
Accrued Salaries and Wages	105,445	-	-	28,875	-
Due to Other Funds	282,880	-	235,896	6,160	-
Accrued Bond Interest	-	-	-	23,310	-
Due to Other Governments	-	-	-	2,114	-
Due to Primary Government	-	-	-	-	-
Deferred Revenues	-	13,878	-	-	-
Payable from Restricted Assets:					
Customers' Deposits	-	-	-	470,599	-
Revenue Bonds Payable	-	-	-	1,295,008	-
Deferred Amount on Refunding 1993 Paving Certificates	-	-	-	(71,534)	-
Accumulated Unpaid Vacation	-	-	-	35,823	2,188
Other Liabilities	4,872	-	-	18,260	2,154
 Total Liabilities	 471,323	13,878	290,225	2,029,159	13,143

(CONTINUED)



FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNITS		TOTAL REPORTING ENTITY (MEMORANDUM ONLY)
	GENERAL FIXED ASSETS	LONG-TERM DEBT		CITY COURT OF DENHAM SPRINGS WARD II	MARSHALL OF CITY COURT OF DENHAM SPRINGS - WARD II	
TRUST						
\$ 1,417 410,000	\$ -	\$ -	\$ 2,131,846 3,476,332	\$ 202,254 85,000	\$ 36,568 -	\$ 2,370,668 3,561,332
-	-	-	231,885	-	-	231,885
-	-	-	16,612	-	-	16,612
960	-	-	256,756	1,666	4,445	262,867
-	-	-	161,992	-	-	161,992
-	-	-	524,936	762	-	525,698
-	-	-	368,458	-	-	368,458
-	-	-	2,511	-	-	2,511
-	-	-	132,036	-	-	132,036
-	-	-	13,436	-	-	13,436
-	-	-	465,000	-	-	465,000
-	7,722,009	-	23,182,394	144,750	86,640	23,413,784
-	-	-	151,770	-	-	151,770
-	-	33,579	33,579	-	-	33,579
-	-	6,384	6,384	-	-	6,384
-	-	321,057	321,057	-	-	321,057
<u>\$ 412,377</u>	<u>\$ 7,722,009</u>	<u>\$ 361,020</u>	<u>\$ 31,476,984</u>	<u>\$ 434,432</u>	<u>\$ 127,653</u>	<u>\$ 32,039,069</u>
\$ -	\$ -	\$ -	\$ 273,480	\$ 30	\$ 2,403	\$ 275,913
-	-	-	85,631	-	-	85,631
-	-	-	234	-	2,724	2,958
-	-	-	2,455	-	1,552	4,007
-	-	-	134,320	-	-	134,320
-	-	-	524,936	762	-	525,698
-	-	-	23,310	-	-	23,310
-	-	-	2,114	-	-	2,114
-	-	-	-	-	2,511	2,511
-	-	-	13,878	-	-	13,878
-	-	-	470,599	-	-	470,599
-	-	-	1,295,008	-	-	1,295,008
-	-	-	(71,534)	-	-	(71,534)
-	-	39,963	39,963	-	-	39,963
-	-	321,057	359,068	-	-	359,068
-	-	-	25,286	105,159	652	131,097
-	-	361,020	3,178,748	105,951	9,842	3,294,541

CITY OF DENHAM SPRINGS

COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS  
AND DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

JUNE 30, 2000

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPES	
	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE
FUND EQUITY AND OTHER CREDITS					
Contributed Capital	-	-	-	7,584,702	-
Investment in General Fixed Assets	-	-	-	-	-
Retained Earnings:					
Unreserved	-	-	-	9,818,314	57,420
Fund Balance:					
Reserved for Debt Service	-	33,579	-	-	-
Reserved for Cemetery Expenditures	-	-	-	-	-
Reserved Civil Fees	-	-	-	-	-
Unreserved:					
Designated for Construction	-	-	582,825	-	-
Designated for Witness Fees and Public Service Workers	-	-	-	-	-
Undesignated	2,087,010	-	-	-	-
Total Fund Equity and Other Credits	2,087,010	33,579	582,825	17,403,016	57,420
Total Liabilities, Fund Equity, and Other Credits	\$ 2,558,333	\$ 47,457	\$ 873,050	\$ 19,432,175	\$ 70,563

The accompanying notes constitute an integral part of this statement.

FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNITS		TOTAL REPORTING ENTITY (MEMORANDUM ONLY)
	GENERAL FIXED ASSETS	LONG-TERM DEBT		CITY COURT OF DENHAM SPRINGS WARD II	MARSHALL OF CITY COURT OF DENHAM SPRINGS - WARD II	
TRUST						
-	-	-	7,584,702	-	-	7,584,702
-	7,722,009	-	7,722,009	144,750	86,640	7,953,399
-	-	-	9,875,734	-	-	9,875,734
-	-	-	33,579	-	-	33,579
412,377	-	-	412,377	-	-	412,377
-	-	-	-	11,176	-	11,176
-	-	-	582,825	-	-	582,825
-	-	-	-	26,590	-	26,590
-	-	-	2,087,010	145,965	31,171	2,264,146
412,377	7,722,009	-	28,298,236	328,481	117,811	28,744,528
\$ 412,377	\$ 7,722,009	\$ 361,020	\$ 31,476,984	\$ 434,432	\$ 127,653	\$ 32,039,069

CITY OF DENHAM SPRINGS

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES, EXPENDABLE  
TRUST FUND AND DISCRETELY PRESENTED COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 2000

	<u>GOVERNMENTAL FUND TYPES</u>			<u>FIDUCIARY FUND TYPE</u>
	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TRUST</u>
Revenues:				
Special Assessments	\$ -	\$ 7,081	\$ -	\$ -
Taxes	4,908,105	-	-	-
Licenses and Permits	658,740	-	-	-
Fines and Forfeits	205,178	-	-	-
911 Service Fees	188,662	-	-	-
Interest	89,229	4,122	30,987	21,502
Court Costs	-	-	-	-
Civil Fees	-	-	-	-
Miscellaneous	490,085	129	44,550	7,725
Total Revenues	6,539,999	11,332	75,537	29,227
Expenditures:				
Current:				
General Government	1,308,891	430	-	-
Public Safety:				
Animal Control	47,983	-	-	-
Fire	962,111	-	-	-
Police	2,141,501	-	-	-
Highways and Streets	1,057,353	-	-	-
Health	33,450	-	-	-
Culture and Recreation	115,873	-	-	-
Capital Outlay	-	-	828,089	-
Debt Service:				
Principal Retirement	-	13,321	-	-
Interest	-	3,057	-	-
Total Expenditures	5,667,162	16,808	828,089	-
Excess (Deficiency) of Revenues over Expenditures	872,837	(5,476)	(752,552)	29,227
Other Financing Sources (Uses):				
Operating Transfers In	-	-	280,000	-
Operating Transfers Out	(280,000)	-	-	-
Transfers In from Primary Government	-	-	-	-
Transfers In from Component Units	2,035	-	-	-
Transfers Out to Component Units	(95,384)	-	-	-
Transfers Out to Primary Government	-	-	-	-
Sale of Assets	17,786	-	-	-
Total Other Financing Sources (Uses)	(355,563)	-	280,000	-

(CONTINUED)



Exhibit E

TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNITS		TOTAL REPORTING ENTITY (MEMORANDUM ONLY)
	CITY COURT OF DENHAM SPRINGS WARD II	MARSHALL OF CITY COURT OF DENHAM SPRINGS - WARD II	
\$ 7,081	\$ -	\$ -	\$ 7,081
4,908,105	-	-	4,908,105
658,740	-	-	658,740
205,178	-	-	205,178
188,662	-	-	188,662
145,840	9,315	641	155,796
-	167,410	160,039	327,449
-	34,591	-	34,591
542,489	33,181	88,465	664,135
6,656,095	244,497	249,145	7,149,737
1,309,321	266,919	264,154	1,840,394
47,983	-	-	47,983
962,111	-	-	962,111
2,141,501	-	-	2,141,501
1,057,353	-	-	1,057,353
33,450	-	-	33,450
115,873	-	-	115,873
828,089	4,928	3,373	836,390
13,321	-	15,380	28,701
3,057	-	701	3,758
6,512,059	271,847	283,608	7,067,514
144,036	(27,350)	(34,463)	82,223
280,000	2,536	-	282,536
(280,000)	(2,536)	-	(282,536)
-	46,844	48,540	95,384
2,035	-	-	2,035
(95,384)	-	-	(95,384)
-	(2,035)	-	(2,035)
17,786	-	300	18,086
(75,563)	44,809	48,840	18,086

CITY OF DENHAM SPRINGS

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES, EXPENDABLE  
TRUST FUND AND DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2000

	<u>GOVERNMENTAL FUND TYPES</u>			<u>FIDUCIARY FUND TYPE</u>
	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TRUST</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	517,274	(5,476)	(472,552)	29,227
Fund Balances at Beginning of Year	<u>1,569,736</u>	<u>39,055</u>	<u>1,055,377</u>	<u>383,150</u>
Fund Balances at End of Year	<u>\$ 2,087,010</u>	<u>\$ 33,579</u>	<u>\$ 582,825</u>	<u>\$ 412,377</u>

The accompanying notes constitute an integral part of this statement.

Exhibit B  
(Continued)

TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNITS		TOTAL REPORTING ENTITY (MEMORANDUM ONLY)
	CITY COURT OF DENHAM SPRINGS WARD II	MARSHALL OF CITY COURT OF DENHAM SPRINGS - WARD II	
68,473	17,459	14,377	100,309
<u>3,047,318</u>	<u>166,272</u>	<u>16,794</u>	<u>3,230,384</u>
<u>\$ 3,115,791</u>	<u>\$ 183,731</u>	<u>\$ 31,171</u>	<u>\$ 3,330,693</u>

**CITY OF DENHAM SPRINGS**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -  
GENERAL AND CAPITAL PROJECTS FUND TYPES**

FOR THE YEAR ENDED JUNE 30, 2000

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
Revenues:			
Taxes	\$ 4,222,700	\$ 4,908,105	\$ 685,405
Licenses and Permits	590,000	658,740	68,740
Fines and Forfeits	188,000	205,178	17,178
911 Service Fees	180,000	188,662	8,662
Interest	60,000	89,229	29,229
Miscellaneous	439,690	490,085	50,395
Total Revenues	<u>5,680,390</u>	<u>6,539,999</u>	<u>859,609</u>
Expenditures:			
Current:			
General Government	1,409,525	1,308,891	100,634
Public Safety:			
Animal Control	60,190	47,983	12,207
Fire	981,680	962,111	19,569
Police	2,199,270	2,141,501	57,769
Highways and Streets	1,122,340	1,057,353	64,987
Health	46,100	33,450	12,650
Culture and Recreation	109,337	115,873	(6,536)
Capital Projects	-	-	-
Total Expenditures	<u>5,928,442</u>	<u>5,667,162</u>	<u>261,280</u>
Excess (Deficiency) of Revenues over Expenditures	(248,052)	872,837	1,120,889
Other Financing Sources (Uses):			
Operating Transfers In	-	-	-
Operating Transfers Out	(280,000)	(280,000)	-
Transfers In from Component Units	2,000	2,035	35
Transfers Out to Component Units	(92,040)	(95,384)	(3,344)
Sale of Assets	38,000	17,786	(20,214)
Total Other Financing Sources (Uses)	<u>(332,040)</u>	<u>(355,563)</u>	<u>(23,523)</u>
Excess (Deficiency) of Revenues and Other Sources over Expendi- tures and Other Uses	(580,092)	517,274	1,097,366
Fund Balances at Beginning of Year	<u>1,569,736</u>	<u>1,569,736</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 989,644</u>	<u>\$ 2,087,010</u>	<u>\$ 1,097,366</u>

The accompanying notes constitute an integral part of this statement.



Exhibit C

CAPITAL PROJECTS FUND TYPES		
BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	30,987	30,987
<u>2,038,200</u>	<u>44,550</u>	<u>(1,993,650)</u>
<u>2,038,200</u>	<u>75,537</u>	<u>(1,962,663)</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>2,318,200</u>	<u>828,089</u>	<u>1,490,111</u>
<u>2,318,200</u>	<u>828,089</u>	<u>1,490,111</u>
(280,000)	(752,552)	(472,552)
280,000	280,000	-
-	-	-
-	-	-
-	-	-
<u>280,000</u>	<u>280,000</u>	<u>-</u>
-	(472,552)	(472,552)
<u>1,055,377</u>	<u>1,055,377</u>	<u>-</u>
<u>\$1,055,377</u>	<u>\$ 582,825</u>	<u>\$ (472,552)</u>

## CITY OF DENHAM SPRINGS

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES

FOR THE YEAR ENDED JUNE 30, 2000

	<u>PROPRIETARY FUND TYPES</u>		TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)
	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	
Operating Revenues:			
Charges for Services	\$4,085,162	\$ -	\$4,085,162
Sales	-	350,973	350,973
Total Operating Revenues	4,085,162	350,973	4,436,135
Operating Expenses:			
Cost of Sales	-	294,280	294,280
Natural Gas Purchases	881,960	-	881,960
Salaries	813,587	27,327	840,914
Payroll Taxes, Retirement and Group Insurance	156,629	5,640	162,269
Depreciation	574,362	5,251	579,613
Electricity	186,898	-	186,898
Equipment Expenses	140,026	412	140,438
Equipment Rental	16,023	-	16,023
Insurance	86,671	3,245	89,916
Maintenance	227,921	1,307	229,228
Meter Reading and Meter Repairs	98,568	-	98,568
Miscellaneous	105,190	1,274	106,464
Office Expense	51,849	177	52,026
Professional Fees	35,733	-	35,733
Small Tools and Supplies	31,514	881	32,395
Subcontract Disposal Service	460,445	-	460,445
Telephone	35,637	3,669	39,306
Uniforms	-	243	243
Bad Debts	6,399	-	6,399
Total Operating Expenses	3,909,412	343,706	4,253,118
Operating Income	175,750	7,267	183,017
Nonoperating Revenues:			
Interest	176,899	-	176,899
Miscellaneous	45,945	1,529	47,474
Total Nonoperating Revenues	222,844	1,529	224,373
Nonoperating Expenses:			
Interest	105,090	-	105,090
Amortization of Bond Costs	14,589	-	14,589
Total Nonoperating Expenses	119,679	-	119,679
Net Income	278,915	8,796	287,711
Retained Earnings at Beginning of Year	9,539,399	48,624	9,588,023
Retained Earnings at End of Year	\$9,818,314	\$ 57,420	\$9,875,734

The accompanying notes are an integral part of this statement.

CITY OF DENHAM SPRINGS  
COMBINED STATEMENT OF CASH FLOWS -  
ALL PROPRIETARY FUND TYPES

FOR THE YEAR ENDED JUNE 30, 2000

	<u>PROPRIETARY FUND TYPES</u>		<u>TOTAL</u>
	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	<u>PRIMARY GOVERNMENT (MEMORANDUM ONLY)</u>
<b>Cash Flows From Operating Activities:</b>			
Operating Income (Loss)	\$ 175,750	\$ 7,267	\$ 183,017
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	574,362	5,251	579,613
Provision for Bad Debts	6,399	-	6,399
Miscellaneous Revenues	45,945	1,529	47,474
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(47,321)	-	(47,321)
(Increase) Decrease in Other Receivables	(51,909)	-	(51,909)
(Increase) Decrease in Unbilled Utility Sales	122,890	-	122,890
(Increase) Decrease in Due from Other Funds	157	942	1,099
(Increase) Decrease in Due from Government Agencies	217,404	-	217,404
(Increase) Decrease in Inventory	(16,319)	(5,978)	(22,297)
(Increase) Decrease in Prepaid Expenses	(8,164)	(370)	(8,534)
(Increase) Decrease in Other Assets	-	(168)	(168)
Increase (Decrease) in Accounts Payable	(3,659)	5,045	1,386
Increase (Decrease) in Retainage Payable	(138,090)	-	(138,090)
Increase (Decrease) in Accrued Salaries and Wages	5,379	-	5,379
Increase (Decrease) in Accrued Bond Interest	(3,950)	-	(3,950)
Increase (Decrease) in Due to Other Funds	(42,826)	(157)	(42,983)
Increase (Decrease) in Other Current Liabilities	(20,124)	-	(20,124)
Increase (Decrease) in Other Accrued Expenses	-	344	344
Increase (Decrease) in Accumulated Unpaid Vacation	-	49	49
Net Cash Provided by Operating Activities	815,924	13,754	829,678

(CONTINUED)

CITY OF DENHAM SPRINGS

COMBINED STATEMENT OF CASH FLOWS -  
ALL PROPRIETARY FUND TYPES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2000

	PROPRIETARY FUND TYPES		TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Acquisition and Construction of Property and Equipment	(673,906)	-	(673,906)
(Increase) Decrease in Restricted Assets	(20,000)	-	(20,000)
Increase (Decrease) in Liabilities Payable from Restricted Assets	15,189	-	15,189
Reduction in Principal on Bonds	(219,439)	-	(219,439)
Grant - Louisiana Department of Transportation	20,000	-	20,000
Grant - U.S. E.P.A.	180,359	-	180,359
Impact Fees - Developers	85,916	-	85,916
Interest Paid on Revenue Bonds	(105,090)	-	(105,090)
Net Cash Used in Capital and Related Financing Activities	(716,971)	-	(716,971)
<b>Cash Flows From Investing Activities:</b>			
Net Sale (Purchase) of Investments	(363,331)	-	(363,331)
Interest Income	176,899	-	176,899
Net Cash Provided by (Used in) Investing Activities	(186,432)	-	(186,432)
Net Increase (Decrease) in Cash and Cash Equivalents	(87,479)	13,754	(73,725)
Cash and Cash Equivalents - Beginning of Year	1,044,196	12,584	1,056,780
Cash and Cash Equivalents - End of Year	\$ 956,717	\$ 26,338	\$ 983,055
<b>Schedule of Noncash Investing, Capital and Financing Activities:</b>			
Amortization of Deferred Bond Expense	\$ 14,589	\$ -	\$ 14,589

The accompanying notes are an integral part of this statement.



**CITY OF DENHAM SPRINGS**

**NOTES TO FINANCIAL STATEMENTS**

JUNE 30, 2000

**(1) Summary of Significant Accounting Policies -**

**A. Financial Reporting Entity**

The City of Denham Springs "the City" was incorporated May 8, 1903, under the provisions of R.S. 33:321-48. The City operates under a Mayor - City Council form of government and provides the following services as authorized by its charter: public safety (police, animal control, and fire), highways and streets, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

As required by generally accepted accounting principles, these financial statements present the City of Denham Springs, Louisiana, and its component units, entities for which the City of Denham Springs is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the combined financial statements to emphasize it is legally separate from the City. Each discretely presented component unit has a June 30, 2000 year end.

The financial reporting entity consists of (1) the primary government (all funds under the auspices of the Mayor and the City Council), (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14, the Financial Reporting Entity, established criteria for determining which component units should be considered part of the City of Denham Springs for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the City to impose its will on that organization and/or

## CITY OF DENHAM SPRINGS

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2000

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
- 2. Organizations for which the City does not appoint a voting majority but are fiscally dependent on the City.
- 3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

As required by generally accepted accounting principles, these financial statements present the City of Denham Springs (the primary government) and its component units. The component units included in the accompanying financial statements are discretely presented.

#### BLENDED COMPONENT UNITS

There are no component units that have been determined by management to be reported as part of the primary government (blended) in the General Purpose Financial Statements of the City of Denham Springs.

#### DISCRETELY PRESENTED COMPONENT UNITS

Component units that are legally separate from the City but are financially accountable to the City, or whose relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete are discretely presented. The Component Units column of the combined financial statements include the financial data of these discretely presented component units. They are reported in a separate column to emphasize that they are legally separate from the City.

Funding for the following state constitutionally defined agencies is included in the City's general fund. These officials however, have certain statutorily defined sources of funds for their own operating and/or capital budget discretion. These funds have been discretely presented in the City's General Purpose Financial Statements:

## CITY OF DENHAM SPRINGS

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2000

City Court of Denham Springs - Ward II - The Judge of the Court is an elected official provided by the Louisiana State Constitution. Fiscal interdependency exists between the City and the City Court in that the City is required to provide the City Court office facilities and the City pays a portion of the Judge's compensation, and reimburses the Court for certain other salaries and benefits. The City's General Purpose Financial Statements discretely presents the City Court of Denham Springs - Ward II's financial statements for the year ended June 30, 2000.

Marshall of City Court of Denham Springs - Ward II - The Marshall is an elected official provided by the Louisiana State Constitution. Fiscal interdependency exists between the City and the Marshall in that the City is required to provide the Marshall's office facilities, and reimburses the Marshall's office for certain other salaries and benefits. The City's General Purpose Financial Statements discretely presents the Marshall's financial statements for the year ended June 30, 2000.

#### RELATED ORGANIZATIONS

City officials are also responsible for appointing members of the board of another organization. The City's accountability does not extend beyond making the appointments.

Denham Springs Housing Authority - The Denham Springs Housing Authority is a legally separate government entity formed to administer housing programs funded by the U.S. Department of Housing and Urban Development (HUD). The City governing authority appoints a majority of the Authority's members; however, there is no financial relationship between the Authority and the primary government.

The Denham Springs Parks and Recreation District #3 of Livingston Parish is a related organization of the City, however the City officials have no responsibility for the District. The District does however include the geographic area of the City.

Denham Springs Parks and Recreation District (PARD) - PARD is a legally separate parish agency that provides parks and recreational services to the residents of Livingston Parish District #3. District #3 includes the geographic area within the City of Denham Springs.



## CITY OF DENHAM SPRINGS

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2000

PARD sets its own ad valorem tax, can incur debt and owns property. The City has no budget approval, management designation or commission member removal powers. PARD finances capital and operating budgets directly from the parish constituents within District #3, and has no financial benefit/burden relationship with the City of Denham Springs.

The following agency is a non-profit corporation established pursuant to State Statutes to finance debt for various public purposes within Livingston Parish. The City Council appoints the board members of the agency. The agency is fiscally independent from the City, issues its own debt, approves its budgets, and sets its rates and charges. The primary government has no authority to remove board members, designate management, or approve or modify rates. The City is not obligated in any manner for the debt issues of this agency.

Denham Springs/Livingston Housing and Mortgage  
Finance Authority

Complete financial statements for each of the City of Denham Springs component units and related organizations can be obtained at the Office of the Legislative Auditor of the State of Louisiana, 1600 North Third Street, P.O. Box 94397, Baton Rouge, LA 70804-9397, or at each of the agencies administrative offices.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the City are classified into three categories: governmental, proprietary, and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:



## CITY OF DENHAM SPRINGS

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2000

#### GOVERNMENTAL FUNDS

Governmental funds are used to account for the City's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, franchise taxes, licenses, interest and special assessments are susceptible to accrual. Sales taxes collected and held by the Livingston Parish School Board at year-end on behalf of the City are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Governmental funds include the following fund types:

**General Fund** - The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Debt Service Fund** - The debt service fund accounts for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.

**Capital Projects Funds** - The capital projects funds account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

## CITY OF DENHAM SPRINGS

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2000

#### PROPRIETARY FUNDS

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Proprietary funds are reported in accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities that use Proprietary Fund Accounting. This standard requires that all applicable GASB pronouncements, Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989 be applied to proprietary activities unless they (FASB Statements and Interpretations, APB Opinions, and ARBs) conflict with or contradict GASB pronouncements.

GASB Statement No. 20 also states that for proprietary activities, management may elect to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. Proprietary activities under the control of the primary government (City of Denham Springs) will not elect to apply FASB Statements and Interpretations issued after November 30, 1989, unless they are adopted by GASB.

Proprietary funds include the following fund types:

Enterprise Funds - Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Internal Service Funds - Internal service funds account for operations that provide services to other departments or agencies of the City, or to other governments, on a cost - reimbursement basis.

## CITY OF DENHAM SPRINGS

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2000

#### FIDUCIARY FUNDS

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the City under the terms of a formal trust agreement.

Expendable Trust Fund - The expendable trust fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets where both the principal and interest may be spent.

#### ACCOUNT GROUPS

General Fixed Assets Account Group - The general fixed assets account group is used to account for fixed assets not accounted for in proprietary or trust funds.

General Long-Term Debt Account Group - The general long-term debt account group is used to account for general long-term and certain other liabilities that are not specific liabilities of proprietary or trust funds.

#### C. Assets, Liabilities and Equity

##### 1. Deposits and Investments -

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments, with original maturities of three months or less from the date of acquisition.

State statutes authorizes the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments (certificates of deposit with original maturities greater than 90 days) are stated at cost.

Deposit and Investment policies of the component units are similar to those of the primary government.



CITY OF DENHAM SPRINGS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2000

2. Receivables and Payables -

All outstanding balances between funds are reported as "due to/from other funds."

All accounts receivable and property tax receivables are shown net of allowance for uncollectibles. Uncollectible amounts due for ad valorem taxes and customers' utility receivables, are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

3. Inventories -

The Enterprise and Internal Service inventories are valued at cost (first-in, first-out). Expendable supplies in the General Fund are recorded as expenditures at the time the supplies are purchased.

4. Restricted Assets -

Certain proceeds and resources of the City's Utility Enterprise Fund are set aside to reimburse customers their utility deposits upon discontinuance of service.

Restricted Assets at June 30, 2000 are comprised of certificates of deposits with maturities greater than 90 days when purchased.

5. Fixed Assets -

Fixed assets used in governmental fund types of the City are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated. Interest incurred during construction is not capitalized on general fixed assets.

## CITY OF DENHAM SPRINGS

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2000

Public domain (infrastructure) general fixed assets (e.g., roads, drainage systems, bridges, sidewalks and other assets that are immovable and of value only to the government) are not capitalized.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the general fixed assets group or capitalized in the proprietary funds.

Property, plant and equipment in the proprietary funds of the City are recorded at cost. Property, plant and equipment donated to these proprietary fund type operations are recorded at their estimated fair value at the date of donation.

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund fixed assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Property, plant and equipment are depreciated in the proprietary funds of the City using the straight-line method over the following estimated useful lives:

Buildings	15-20 Years
Improvements	10-20 Years
Equipment	3-10 Years
Systems	20-50 Years

#### 6. Compensated Absences -

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave. Vacation pay is accrued when incurred in proprietary funds and reported as a fund liability. Vacation pay that is expected to be liquidated with expendable available



## CITY OF DENHAM SPRINGS

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2000

financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts.

As of June 30, 2000, the liability for compensated absences is \$359,068. The amounts applicable to the Enterprise Fund of \$35,823 and Internal Service Fund of \$2,188 have been recorded in those funds and the amount applicable to the General Fund of \$321,057 has been recorded in the General Long-Term Debt account group.

#### 7. Long-Term Obligations -

The City reports long-term debt of governmental funds at face value in the general long-term debt account group. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the general long-term debt account group. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

For governmental fund types, when applicable, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

**CITY OF DENHAM SPRINGS**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2000

8. Fund Equity -

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Reservations of retained earnings are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change. The proprietary fund's contributed capital represents equity acquired through capital grants and capital contributions from developers, customers or other funds.

9. Memorandum Only - Total Columns -

Total columns on the general purpose financial statements are captioned as "memorandum only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

10. Comparative Data/Reclassifications -

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the City's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

11. Post-Employment Health Care Benefits -

Retiree Benefits -

In addition to the pension benefits described in Note 11, the City provides postretirement healthcare benefits to all employees who retire from the City, as per the requirements of a local ordinance. The group insurance is paid by the City and reimbursed by the retired employee. There is no associated cost to the City under this program, and there are only six (6) participants in the program as of June 30, 2000.

## **CITY OF DENHAM SPRINGS**

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2000

#### **COBRA Benefits -**

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premiums are paid by the City and reimbursed by the insured. This program is offered for a duration of eighteen (18) months after the termination date. There is no associated cost to the City under this program, and at June 30, 2000, there are two participants in the program.

#### **12. Accounting for Special Assessment Project -**

Special Assessment Projects are accounted for in accordance with guidelines recommended by Statement No. 6 of the Governmental Accounting Standards Board.

Special Assessments are recognized as revenues when individual installments are considered due and payable and can be used in payment of special assessment debt.

The only Special Assessment Debt outstanding at June 30, 2000, is the balance of \$39,963 due on the 1993 Paving Certificates issued to pay the cost of the construction of street paving improvements along certain portions of certain streets in the Lakeland Acres Subdivision.

#### **13. Use of Estimates -**

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

### **(2) Stewardship, Compliance and Accountability -**

#### **A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds, except the Debt Service Fund. All annual appropriations lapse at fiscal year end.



**CITY OF DENHAM SPRINGS**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2000

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Treasurer prepares a proposed budget and submits same to the Mayor and Council no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the City Council.

Activities of the General Fund and each Capital Project Fund are included in the annual appropriated budget. The City is not required to prepare and does not prepare an annual appropriated budget for its Debt Service Fund, Enterprise Fund, Internal Service Fund or Cemetery Trust Fund.

The appropriated budget is prepared by fund, function and department. The City's department heads may make transfers within a department. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control is the department level. Any increase in departmental budgets must be approved by the City Council.

## CITY OF DENHAM SPRINGS

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2000

Budgeted amounts are as originally adopted, or as amended from time to time by the City Council. For the fiscal year ended June 30, 2000, the City Council approved the increase in the original expenditures and Transfers Out of the General Fund from \$5,899,220 to \$6,300,482. The amended budgets for the General Fund and the Capital Projects Funds are presented in the Combined Statements of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual.

The total General Fund increase amounted to \$401,262. The General Fund budget was increased by \$70,310 for salaries and benefits in various departments, by \$225,032 for additional equipment purchases, building purchase and building renovations by \$47,900 for repairs and maintenance in various departments, and by \$58,020 for various other miscellaneous expenditures of the general fund.

Budgetary data for the discretely presented component units are not presented in these financial statements.

#### B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2000, total expenditures did not exceed appropriations by more than 5% in any budgeted department.

#### (3) **Deposits and Investments -**

The City has established a consolidated bank account with a local bank into which monies are deposited and from which all disbursements are now being made. The purpose of the consolidation account is to reduce administrative charges and provide a single cash balance available for the maximization of investment earnings. Each fund shares in the investment earnings of the consolidated account according to its average cash balance. Cash is transferred from those funds with available cash resources to cover any negative cash balances, if any, in other funds at year-end.



# CITY OF DENHAM SPRINGS

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2000

The City also invests all excess funds in certificates of deposits, which have maturity dates greater than 90 days when purchased, and are therefore classified as investments for financial reporting.

The discretely presented component units maintain deposit accounts and investments in certificates of deposits similar to the Primary Government.

### A. Deposits - Primary Government

City deposits (including demand deposit accounts and all certificates of deposits) at June 30, 2000, for the primary government of the City of Denham Springs are summarized as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Category 1	\$6,070,428	\$6,299,215
Category 2	-	-
Category 3	<u>2,750</u>	<u>-</u>
Total	<u>\$6,073,178</u>	<u>\$6,299,215</u>
Balance Sheet Classification:		
Cash and Cash Equivalents	\$2,131,846	\$2,357,883
Investments (Certificates of Deposit with Maturities of Greater than 90 Days)	3,476,332	3,476,332
Restricted Assets:		
Investments (Certificates of Deposit with Maturities of Greater than 90 Days)	<u>465,000</u>	<u>465,000</u>
	<u>\$6,073,178</u>	<u>\$6,299,215</u>

The City's bank balances at June 30, 2000, are categorized into three levels of credit risk. Category 1 includes bank balances which are insured or collateralized with securities held by the City or its agent in the City's name. Category 2 includes bank balances which are collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. Category 3 includes

**CITY OF DENHAM SPRINGS**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2000

bank balances which are uncollateralized, including any balances which are collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the City's name.

**B. Investments - Primary Government**

The City is authorized by LRS 39:1211-1245 and 33:2955 to invest monies in the following:

1. United States Treasury Bonds
2. United States Treasury Notes
3. United States Treasury Bills
4. Obligations of U.S. Government Agencies, including such instruments as Federal Home Loan Bank bonds, Government National Mortgage Association bonds, or a variety of "Federal Farm Credit" bonds.
5. Fully collateralized certificates of deposit issued by qualified commercial banks and savings and loan associations located within the State of Louisiana.
6. Fully collateralized repurchase agreements.
7. Fully collateralized interest-bearing checking accounts.
8. Mutual or Trust Fund institutions which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States Government or its agencies.

At June 30, 2000, the City has only invested its excess funds in certificates of deposit with maturities of greater than 90 days. Therefore, these investments are included in Note 3A, above.

**C. Deposits - Discretely Presented Component Units**

The discretely presented component units are required to invest funds within the same state statutes as the primary government. Component unit deposits (including demand deposit accounts and all certificates of deposits) at June 30, 2000, are categorized below in three levels of credit risk as explained in section (a) of this note above:

# CITY OF DENHAM SPRINGS

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2000

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
City Court of Denham Springs - Ward II - Demand Deposits	\$213,390	\$ -	\$ -	\$213,390	\$202,254
Certificates of Deposits with Maturities Greater than 90 Days	<u>85,000</u>	<u>-</u>	<u>-</u>	<u>85,000</u>	<u>85,000</u>
Total City Court of Denham Springs - Ward II	298,390	-	-	298,390	287,254
Marshall of City Court of Denham Springs - Ward II - Demand Deposits	<u>54,014</u>	<u>-</u>	<u>-</u>	<u>54,014</u>	<u>36,568</u>
Total Marshall of City Court of Denham Springs - Ward II	<u>54,014</u>	<u>-</u>	<u>-</u>	<u>54,014</u>	<u>36,568</u>
Total Component Units	<u>\$352,404</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$352,404</u>	<u>\$323,822</u>

Certificates of deposits with maturities greater than 90 days are classified on the Combined Balance Sheet as investments.

### D. Deposits and Investments Summary

The following is a reconciliation of the carrying amount of deposits and investments to "Cash and Cash Equivalents", "Investments", and "Restricted Assets Investments" on the Combined Balance Sheet.

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Cash and Cash Equivalents:			
Deposits	\$2,129,096	\$ 238,822	\$2,367,918
Cash on Hand	<u>2,750</u>	<u>-</u>	<u>2,750</u>
Total Cash and Cash Equivalents	2,131,846	238,822	2,370,668

(CONTINUED)

# CITY OF DENHAM SPRINGS

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2000

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Investments:			
Certificates of Deposits with Maturities Greater than 90 Days	<u>3,476,332</u>	<u>85,000</u>	<u>3,561,332</u>
Total Investments	3,476,332	85,000	3,561,332
Restricted Assets -			
Investments:			
Certificates of Deposit with Maturities Greater than 90 Days	<u>465,000</u>	<u>-</u>	<u>465,000</u>
Total Restricted Assets-Investments	<u>465,000</u>	<u>-</u>	<u>465,000</u>
Total Cash, Cash Equivalents and Investments at June 30, 2000	<u>\$6,073,178</u>	<u>\$ 323,822</u>	<u>\$6,397,000</u>

### (4) Ad Valorem Taxes -

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The City's property taxes are now billed and collected by the Livingston Parish Tax Collector from information on assessed values received from the Livingston Parish Assessor's Office. The Tax Collector remits collections monthly to the City.

For the year ended June 30, 2000, taxes of 4.10 mills were levied on property with assessed valuations totaling \$36,113,430 and were dedicated to general purposes.

Total taxes levied were \$148,065. Taxes receivable at June 30, 2000, consisted of the following:

Taxes Receivable - Current Roll	\$ 9,464
Taxes Receivable - Prior Years	<u>5,721</u>
	15,185
Allowance for Uncollectible Taxes	<u>(9,923)</u>
	<u>\$ 5,262</u>



**CITY OF DENHAM SPRINGS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2000**

**(5) Receivables -**

Receivables as of June 30, 2000, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Trust</u>	<u>Total Primary Government</u>	<u>Component Units</u>	<u>Total Reporting Entity</u>
Receivables:								
Interest	\$ 23,108	\$ 234	\$ 4,075	\$ 66,731	\$ 960	\$ 95,108	\$ 1,666	\$ 96,774
Ad Valorem								
Taxes	15,185	-	-	-	-	15,185	-	15,185
Royalties	6,840	-	-	-	-	6,840	-	6,840
Franchise								
Taxes	100,769	-	-	-	-	100,769	-	100,769
Special								
Assessments								
Accounts	-	17,070	-	261,885	-	278,955	-	278,955
Other	<u>35,246</u>	<u>-</u>	<u>10,919</u>	<u>2,612</u>	<u>-</u>	<u>48,777</u>	<u>4,445</u>	<u>53,222</u>
Gross								
Receivables	181,148	17,304	14,994	331,228	960	545,634	6,111	551,745
Less: Allowance								
for Uncollect-								
ibles	<u>(9,923)</u>	<u>(458)</u>	<u>-</u>	<u>(30,000)</u>	<u>-</u>	<u>(40,381)</u>	<u>-</u>	<u>(40,381)</u>
Net Receivables	<u>\$171,225</u>	<u>\$16,846</u>	<u>\$14,994</u>	<u>\$301,228</u>	<u>\$ 960</u>	<u>\$505,253</u>	<u>\$ 6,111</u>	<u>\$511,364</u>

**(6) Due From Other Governments -**

Due from Other Governments as of June 30, 2000, consists of the following:

	<u>General</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Total Primary Government</u>	<u>Component Units</u>	<u>Total Reporting Entity</u>
Livingston Parish						
School Board:						
Sales Tax						
Collections	\$178,320	\$ -	\$ -	\$178,320	\$ -	\$178,320
State of Louisiana:						
Department of Transport-						
ation and Development	6,682	66,205	-	72,887	-	72,887
Alcoholic Beverage Tax	18,633	-	-	18,633	-	18,633
Tobacco Tax	10,643	-	-	10,643	-	10,643
Police Grants	34,830	-	-	34,830	-	34,830
Livingston Parish:						
Communications District	42,145	-	-	42,145	-	42,145
Fire Protection						
District No. 5	1,000	-	-	1,000	-	1,000
U.S. E.P.A.	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Totals	<u>\$292,253</u>	<u>\$ 66,205</u>	<u>\$ 10,000</u>	<u>\$368,458</u>	<u>\$ -</u>	<u>\$368,458</u>

**CITY OF DENHAM SPRINGS**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2000

(7) **Interfund Receivables, Payables - Due (To) From Primary  
Government/Component Units - Transfers In, Transfers Out -**

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Primary Government:		
General Fund	\$ -	\$282,880
Debt Service Fund	-	-
Capital Projects Funds:		
Street Overlay	280,000	235,896
Drainage Improvements	42,144	-
Building Renovations	193,752	-
Enterprise Fund	-	6,160
Internal Service Fund	9,040	-
Trust Fund	-	-
Total Primary Government	<u>524,936</u>	<u>524,936</u>
Component Units:		
City Court of Denham Springs - Ward II		
General Fund	762	-
Special Revenue Funds:		
Witness Fee	-	177
Public Service Work	-	9
Agency Funds:		
Civil Docket	-	46
Criminal Docket	-	371
Restitution	-	159
Total Component Units	<u>762</u>	<u>762</u>
Total Primary Government and Component Units	<u>\$525,698</u>	<u>\$525,698</u>

(CONTINUED)

**CITY OF DENHAM SPRINGS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2000

	Due (To) / From Primary Government	Due (To) / From Component Unit
Primary Government:		
General Fund	\$ -	\$ 2,511
Total Primary Government	-	2,511
Component Units:		
Marshall of City Court of Denham Springs - Ward II	(2,511)	-
Total Component Units	(2,511)	-
Total Primary Government and Component Units	\$ (2,511)	\$ 2,511
	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ 2,035	\$ 375,384
Capital Projects Fund:		
Street Overlay	280,000	-
Total Primary Government	282,035	375,384
Component Units:		
City Court of Denham Springs - Ward II:		
General Fund	49,380	2,035
Special Revenue Funds:		
Witness Fee Fund	-	445
Public Service Work Fund	-	72
Agency Funds:		
Civil Docket	-	509
Criminal Docket	-	1,505
Restitution Fund	-	5
Marshall of City Court of Denham Springs - Ward II:		
General Fund	48,540	-
Total Component Units	97,920	4,571
Total Primary Government and Component Units	\$ 379,955	\$ 379,955

**CITY OF DENHAM SPRINGS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2000**

**(8) Changes in General Fixed Assets -**

A summary of changes in general fixed assets of the Primary Government is as follows:

	Balance <u>June 30, 1999</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2000</u>
Land	\$ 571,271	\$ 57,400	\$ -	\$ 628,671
Land Improve- ments	34,417	-	-	34,417
Buildings	3,535,872	203,407	-	3,739,279
Equipment	2,835,602	512,578	160,349	3,187,831
Furniture and Fixtures	47,136	-	-	47,136
Incomplete Construction	<u>169,470</u>	<u>61,012</u>	<u>145,807</u>	<u>84,675</u>
Total Primary Government	<u>\$7,193,768</u>	<u>\$834,397</u>	<u>\$306,156</u>	<u>\$7,722,009</u>

Incomplete construction for general fixed assets consists of renovations to Old City Hall. Total estimated costs are \$350,000 and costs incurred to June 30, 2000 are \$84,675.

A summary of changes in general fixed assets of the Component Units is as follows:

	Balance <u>June 30, 1999</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2000</u>
City Court of Denham Springs - Ward II: Equipment	\$139,822	\$ 4,928	\$ -	\$144,750
Marshall of City Court of Denham Springs - Ward II: Equipment	<u>97,519</u>	<u>3,373</u>	<u>14,252</u>	<u>86,640</u>
Total Component Units	<u>\$237,341</u>	<u>\$ 8,301</u>	<u>\$ 14,252</u>	<u>\$231,390</u>



**CITY OF DENHAM SPRINGS**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2000

The following is a summary of proprietary fund type property, plant, and equipment for the Primary Government at June 30, 2000:

	<u>Enterprise</u>	<u>Internal Service</u>
Land	\$ 159,575	\$ -
Land Improvements	-	14,057
Gas System	3,307,796	-
Water System	6,467,877	-
Sewer System	12,672,811	-
Buildings	144,347	65,822
Transportation Equipment	433,728	-
E.D.P. Equipment	147,294	-
Furniture and Fixtures	-	-
Other Equipment	659,551	67,838
Incomplete Construction	<u>357,179</u>	<u>-</u>
Total	24,350,158	147,717
Less: Accumulated Depreciation	<u>(8,909,752)</u>	<u>(127,738)</u>
Net	<u>\$15,440,406</u>	<u>\$ 19,979</u>

In 1989, an experimental sewer oxidation pond was completed based on certain specifications approved by the United States Environmental Protection Agency. Because it was experimental, the EPA agreed to fund a major portion of the project. In addition, the EPA agreed that if the project was not working properly within a specified period of time and it was because of the experimental design of the pond, that it would assist the City to renovate and correct the problems. In March 1997, the EPA executed a cooperative agreement offering Federal assistance for the wastewater treatment facilities project. It was not until October 1997, that the approval from the State of Louisiana, Department of Environmental Quality was received. Total costs of the Wastewater Treatment Facility Renovations were \$3,582,393 of which \$3,467,496 was funded by the Federal assistance award. The Facility was placed in service in November 1999. Total costs of \$3,582,393 were transferred from incomplete construction to sewer system during the current fiscal year.

Incomplete construction at June 30, 2000, in the amount of \$237,679, relates to the Brignac Street Water Tank Renovations. Total estimated cost of the project is \$249,000. Also included in incomplete construction is the construction of a pump station and force main on Pete's Hwy. Total estimated costs are \$1,000,000 and costs incurred to June 30, 2000 are \$113,147. The project is expected to be completed approximately a year and a half after all right-of-way acquisitions are complete. The remaining incomplete construction balance of \$6,353 is comprised of miscellaneous small incomplete water and sewer construction projects.

# CITY OF DENHAM SPRINGS

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2000

### (9) Long-Term Debt -

Revenue Bonds. The City issues bonds where it pledges income derived from the acquired or constructed assets to pay debt services. Revenue bonds outstanding at June 30, 2000, are as follows:

<u>Description/Purpose</u>	<u>Original Issue Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Balance June 30, 2000</u>
1998 Utility Revenue Refunding Bonds - Proceeds Used to Advance Refund Prior Revenue Bonds	\$1,712,505	7.20%	04-01-2006	\$1,295,008

Revenue bond debt service requirements to maturity, including interest requirements, are as follows:

<u>Due Dates</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
10-1-2000	\$ -	\$ 46,620	\$ 46,620
04-1-2001	225,467	46,620	272,087
10-1-2001	-	38,503	38,503
04-1-2002	226,664	38,503	265,167
10-1-2002	-	30,343	30,343
04-1-2003	227,944	30,343	258,287
10-1-2003	-	22,138	22,138
04-1-2004	229,310	22,138	251,448
10-1-2004	-	13,882	13,882
04-1-2005	225,479	13,882	239,361
10-1-2005	-	5,765	5,765
04-1-2006	<u>160,144</u>	<u>5,765</u>	<u>165,909</u>
Total Revenue Bonds	\$1,295,008	\$ 314,502	\$1,609,510

The City of Denham Springs issued \$1,712,505 of 1998 Utility Revenue Refunding Bonds dated July 17, 1998. These bonds along with monies from the 1989 Sinking, Reserve, and Contingency accounts were used to advance refund the 1989 Utility Revenue Refunding Bonds. The bonds are payable solely from revenues derived from the Enterprise Fund.

The Sinking Fund, Reserve Fund, and Contingency Fund requirements of the 1989 bond were eliminated with the issuance of the 1998 bonds.

# CITY OF DENHAM SPRINGS

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2000

Special Assessment Debt. The City issued \$133,210 of Special Assessment Certificates of Indebtedness in 1993 to provide funds for the construction of street paving improvements along certain portions of streets in the Lakeland Acres Subdivision. The Certificates bear interest at rates of 5.60% - 8.00% and are payable in equal annual installments of principal over ten years. These Special Assessment Certificates of Indebtedness constitute legally binding special and limited obligations of the City. In addition, the City has legally pledged and dedicated the funds to be derived from the collection of the special assessments levied on the real property of the property owners of the Lakeland Acres Subdivision.

The City accounts for the collections of the annual special assessments on the property owners of the Lakeland Acres Subdivision and the annual payments on the 1993 Paving Certificates of Indebtedness in the 1993 Paving Certificates Debt Service Fund.

At June 30, 2000, management estimates that earnings and collections of the special assessments will be in amounts sufficient to cover the City's annual Certificate of Indebtedness liability.

<u>Description/Purpose</u>	<u>Original Issue Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Balance June 30, 2000</u>
Special Assessment Certificates of Indebtedness - Lakeland Acres Subdivision	\$ 133,210	VARIOUS	06-01-2003	\$ 39,963

Special Assessment debt service requirements to maturity, including interest requirements, are as follows:

<u>Due Dates</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
06-1-2001	\$ 13,321	\$ 2,311	\$ 15,632
06-1-2002	13,321	1,545	14,866
06-1-2003	<u>13,321</u>	<u>773</u>	<u>14,094</u>
	\$ 39,963	\$ 4,629	\$ 44,592

**CITY OF DENHAM SPRINGS**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2000

Prior Year Bond Defeasance. There are no outstanding balances on any prior-year bond defeasance as of June 30, 2000.

Summary of Changes in Long-Term Debt:

	Balance <u>June 30, 1999</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2000</u>
General Long-Term Debt Account Group:				
1993 Certificates of Indebtedness	\$ 53,284	\$ -	\$ 13,321	\$ 39,963
Accumulated Unpaid Vacation - Net	<u>292,009</u>	<u>29,048</u>	<u>-</u>	<u>321,057</u>
Total General Long- Term Debt Account Group	345,293	29,048	13,321	361,020
Enterprise Fund:				
1998 Utility Revenue Refunding Bond	1,514,447	-	219,439	1,295,008
Deferred Amount on Refunding	<u>(86,123)</u>	<u>-</u>	<u>(14,589)</u>	<u>(71,534)</u>
Total Enterprise Fund	<u>1,428,324</u>	<u>-</u>	<u>204,850</u>	<u>1,223,474</u>
Total Changes in Long-Term Debt	<u>\$1,773,617</u>	<u>\$ 29,048</u>	<u>\$ 218,171</u>	<u>\$1,584,494</u>

**(10) Customers' Deposits -**

Meter deposits are paid by customers upon application for utility services and are returnable to them upon termination of service. Receipts from meter deposits are deposited in the Utility Operating Fund and refunds of deposits on termination of service are made from the same account.

The City has a certificate of deposit which is designated specifically for Customers' Deposits. At June 30, 2000, customers' deposits amounted to \$470,599 and the balance of the certificate of deposit amounted to \$465,000 and is included as a Restricted Asset on the Balance Sheet.



# CITY OF DENHAM SPRINGS

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2000

### (11) Retirement Commitments -

#### A. Plan Descriptions, Contribution Information, and Funding Policies

Substantially all employees of the City of Denham Springs are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, Municipal Police Employees Retirement System of Louisiana, or Firefighters Retirement System of Louisiana. These systems are multiple employer (cost-sharing), public employee retirement systems (PERS), controlled and administered by separate boards of trustees. Pertinent information relative to each plan follows:

The following is a summary of eligibility factors, contribution methods, and benefit provisions.

	<u>Municipal Employees Retirement System of Louisiana</u>	<u>Municipal Police Employees Retirement System of Louisiana</u>	<u>Firefighters Retirement System of Louisiana</u>
Eligibility to Participate	All permanent employees working at least 35 hours per week, not covered by another pension plan, and under age 60 at date of employment and are paid wholly or in part from City funds; all elected municipal officials are also eligible to participate; all employees of the City are members of Plan B.	All full-time police department employees engaged in law enforcement are required to participate in the System.	Mandatory for all full-time firefighters employed by a municipality, parish, or fire protection district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System.
Authority Establishing Contribution Obligations and Benefits	State Statute	State Statute	State Statute
Plan Members' Contribution Rate (Percent of Covered Payroll)	5.00%	7.50%	8.00%
City's Contribution Rate (Percent of Covered Payroll)	4.5%	9.00%	9.00%

(CONTINUED)

# CITY OF DENHAM SPRINGS

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2000

	<u>Municipal Employees Retirement System of Louisiana</u>	<u>Municipal Police Employees Retirement System of Louisiana</u>	<u>Firefighters Retirement System of Louisiana</u>
Period Required to Vest	10 years	12 years	12 years
Benefits and Eligibility for Distri- bution (Full-Time)	At or after age 60 with at least 10 years of creditable service or at or after 55 with at least 30 years of creditable service, 2% of final average salary multiplied by the years of creditable service; at least 10 years but less than 30 years of creditable service, may take early retirement benefits reduced 3% for each year retirement pre- cedes age 60; in any case monthly retirement benefits can not exceed 100% of final average salary	25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years of creditable service and is age 55, 3 1/3% of average salary multiplied by the years of credit- able service not to exceed 100% of final salary; early retire- ment, 20 years of service regardless of age, 3 1/3% of average salary multiplied by creditable service actuarially reduced for retirement prior to age 50	20 years or more of creditable service and attained age 50 or 12 years of service and age 55 or 25 years of service at any age, 3 1/3% of average salary multiplied by the years of credit- able service not to exceed 100% of final salary
Deferred Retire- ment Option	Yes, 30 years creditable service	Yes, 25 years of creditable service regardless of age or 20 years of creditable service and attaining the age of 50	Yes, after completing 20 years of creditable service
Provisions for: Cost of Living Adjustments (Normal Retirement)	Yes	Yes	Yes
Death (Duty, Non-Duty, Post Retire- ment)	Yes	Yes	Yes
Disability (Duty, Non-Duty)	Yes	Yes	Yes
Cost of Living Allowances	Yes	Yes	Yes

# CITY OF DENHAM SPRINGS

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2000

### B. Trend Information -

Contributions required by State statute:

Fiscal Year	Municipal Employees Retirement System Of Louisiana		Municipal Police Employees Retirement System of Louisiana		Firefighters Retirement System of Louisiana	
	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed
1995	\$120,454	98%	\$102,681	100%	\$ 47,647	100%
1996	\$134,785	97%	\$109,520	100%	\$ 64,000	100%
1997	\$122,975	95%	\$121,390	100%	\$ 92,223	100%
1998	\$121,610	94%	\$130,803	100%	\$ 95,453	100%
1999	\$147,921	100%	\$143,895	100%	\$ 98,786	100%
2000	\$166,991	100%	\$163,093	100%	\$100,037	100%

Trend information showing the progress of the Systems in accumulating sufficient assets to pay benefits when due is presented in their annual financial reports. Copies of these reports may be obtained from the respective State retirement systems.

### (12) Deferred Compensation Plan -

The City offers its employees a deferred compensation plan created in accordance with Louisiana Revised Statutes 42:1301 through 42:1308 and Section 457 of the Internal Revenue Code of 1954. The Louisiana Public Employees' Deferred Compensation Plan is available to all employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. In accordance with the amended provisions of Internal Revenue Code Section 457 which were enacted into law in August 1996, all amounts deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights, are solely the property and rights of the participants and their beneficiaries. As required by the amendment to the code, the City established a custodial account with a third party administrator who will hold the assets and income of the plan.

**CITY OF DENHAM SPRINGS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2000

Under GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans", governments who have no responsibility for the plan and are not formally considered the plan's trustee are not required to report the plan in its financial statements. Since the City's plan is held in a custodial account with a third party administrator, the assets and liabilities are not presented in the City's financial statements as of June 30, 2000.

Assets totaling \$120,593 are held by Great West Life & Annuity Insurance Company, a deferred compensation center.

Compensation deferred under this plan for the fiscal year ended June 30, 2000, amounted to \$21,890.

**(13) Litigation -**

The City is a defendant in several lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City of Denham Springs.

**(14) Intergovernmental Revenue -**

GASB No. 24 requires government employers to disclose the amount recognized in the financial statements for on-behalf payments of salaries and fringe benefits.

Supplementary salary payments are made by the State of Louisiana directly to certain groups of the City's employees. The City is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contribution made by the State. For the fiscal year ended June 30, 2000, the State paid supplemental salaries to the City's fire and law enforcement employees in the amount of \$156,840.



**CITY OF DENHAM SPRINGS**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2000

**(15) Contributed Capital -**

The changes in the City's contributed capital accounts for its Enterprise Proprietary Fund were as follows:

	<u>Balance</u> <u>June 30, 1999</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2000</u>
Federal	\$5,958,344	\$ 180,359	\$ -	\$6,138,703
State	490,853	-	-	490,853
Local	600,000	-	-	600,000
Other	26,316	20,000	-	46,316
Developers	<u>222,914</u>	<u>85,916</u>	<u>-</u>	<u>308,830</u>
Total Contributed Capital	<u>\$7,298,427</u>	<u>\$ 286,275</u>	<u>\$ -</u>	<u>\$7,584,702</u>

**(16) Changes in Agency Funds -**

A summary of the changes in assets and liabilities in the agency funds of the component units is as follows:

City Court of Denham Springs - Ward II

	<u>Balance</u> <u>June 30, 1999</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2000</u>
<u>ASSETS</u>				
Cash - Civil Docket	\$ 36,088	\$ 89,910	\$ 83,682	\$ 42,316
Cash - Criminal Docket	57,075	709,036	702,851	63,260
Cash - Restitution	<u>154</u>	<u>1,448</u>	<u>1,413</u>	<u>189</u>
Total Assets	<u>\$ 93,317</u>	<u>\$800,394</u>	<u>\$ 787,946</u>	<u>\$105,765</u>

(CONTINUED)

**CITY OF DENHAM SPRINGS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2000**

<u>LIABILITIES</u>	<u>Balance</u> <u>June 30, 1999</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2000</u>
Due to Other Funds	\$ 404	\$ 576	\$ 404	\$ 576
Bonds Paid in Advance of Trial - Civil	36,088	89,401	83,219	42,270
Bonds Paid in Advance of Trial - Criminal	56,825	707,531	701,467	62,889
Accounts Payable	<u>-</u>	<u>30</u>	<u>-</u>	<u>30</u>
Total Liabilities	<u>\$ 93,317</u>	<u>\$797,538</u>	<u>\$ 785,090</u>	<u>\$105,765</u>

**(17) Segment Information - Enterprise Fund -**

The City maintains only a single enterprise fund. The services provided by this enterprise fund include basic utility services (natural gas, water, sewer and sanitation) for all citizens of the City of Denham Springs and to citizens within certain areas around the City of Denham Springs. Selected segment information for the year ended June 30, 2000, is as follows:

Operating Revenues	\$ 4,085,162
Depreciation	574,362
Operating Income	175,750
Net Income	278,915
Current Capital Contributions	286,275
Fixed Asset Additions	693,906
Net Working Capital	3,002,039
Total Assets	19,432,175
Bonds Payable	1,295,008
Total Equity	17,403,016

**(18) Risk Management -**

The City is exposed to various risks of loss related to torts theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City maintains commercial insurance for all risks of loss, including (1) Worker's Compensation, (2) Public Official Bonds and Employees Liability, (3) Business Auto Liability, (4) Umbrella coverage, (5) Law Enforcement Professional Liability, (6) Fire and Extended coverage and (7) Flood Insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**CITY OF DENHAM SPRINGS**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2000

**(19) Accounting Developments - GASB Statement No. 34 -**

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- For the first time the financial statements will include:
  - A Management Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and results of operations.
  - Financial statements will be prepared using full accrual accounting for all of the City's activities, including reporting infrastructure assets (roads, bridges, etc.).
  - A change in the fund financial statements to focus on the major funds.

The general provisions of GASB Statement No. 34 must be implemented by the City of Denham Springs no later than the fiscal year ending June 30, 2003; the retroactive reporting of infrastructures must be implemented no later than the year ending June 30, 2007.

PRIMARY GOVERNMENT

COMBINING, INDIVIDUAL FUND AND  
ACCOUNT GROUP STATEMENTS AND SCHEDULES



## GENERAL FUND

To account for resources traditionally associated with governments  
which are not required to be accounted for in another fund.

**CITY OF DENHAM SPRINGS**  
GENERAL FUND

COMPARATIVE BALANCE SHEETS

JUNE 30, 2000 AND 1999

ASSETS

	<u>2000</u>	<u>1999</u>
Cash and Cash Equivalents	\$1,040,808	\$ 350,599
Certificates of Deposit - (Maturities Greater than 90 Days)	900,000	900,000
Ad Valorem Taxes Receivable, Net of Allowance for Uncollectible Accounts of \$9,923 in 2000 and \$5,830 in 1999	5,262	1,201
Due from Other Funds	-	48,986
Due from Other Governments	292,253	357,261
Due from Component Unit	2,511	4,570
Other Receivables, Net of Allowance for Uncollectible Accounts of \$-0- in 2000 and 1999	165,963	107,077
Insurance Deposits	<u>151,536</u>	<u>13,372</u>
Total Assets	<u>\$2,558,333</u>	<u>\$1,783,066</u>

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts Payable	\$ 75,437	\$ 83,731
Payroll Taxes Payable	234	922
Retirement and Group Insurance Payable	2,455	32,077
Accrued Salaries and Wages	105,445	77,931
Due to Other Funds	282,880	9,982
Due to Component Unit	-	3,805
Other Liabilities	<u>4,872</u>	<u>4,882</u>
Total Liabilities	471,323	213,330
Fund Balance:		
Reserved for Encumbrance	-	50,290
Unreserved:		
Designated for Subsequent Year Expenditures	-	173,820
Undesignated	<u>2,087,010</u>	<u>1,345,626</u>
Total Fund Balance	<u>2,087,010</u>	<u>1,569,736</u>
Total Liabilities and Fund Balance	<u>\$2,558,333</u>	<u>\$1,783,066</u>

The accompanying notes constitute an integral part of this statement.

**CITY OF DENHAM SPRINGS  
GENERAL FUND**

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2000  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1999

	<u>2000</u>			
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>1999 Actual</u>
<b>Revenues:</b>				
Taxes	\$4,222,700	\$4,908,105	\$ 685,405	\$ 4,521,898
Licenses and Permits	590,000	658,740	68,740	625,763
Fines and Forfeits	188,000	205,178	17,178	174,827
911 Service Fees	180,000	188,662	8,662	185,202
Miscellaneous	<u>499,690</u>	<u>579,314</u>	<u>79,624</u>	<u>609,994</u>
Total Revenues	5,680,390	6,539,999	859,609	6,117,684
<b>Expenditures:</b>				
General Government	1,409,525	1,308,891	100,634	1,046,213
Public Safety	3,241,140	3,151,595	89,545	2,801,364
Highways and Streets	1,122,340	1,057,353	64,987	820,329
Health	46,100	33,450	12,650	36,144
Culture and Recreation	<u>109,337</u>	<u>115,873</u>	<u>(6,536)</u>	<u>56,570</u>
Total Expendi- tures	<u>5,928,442</u>	<u>5,667,162</u>	<u>261,280</u>	<u>4,760,620</u>
Excess (Deficiency) of Revenues over Expenditures	(248,052)	872,837	1,120,889	1,357,064
<b>Other Financing Sources (Uses):</b>				
Operating Transfers Out	(280,000)	(280,000)	-	(1,121,210)
Transfers In from Component Units	2,000	2,035	35	1,022
Transfers Out to Component Units	(92,040)	(95,384)	(3,344)	(95,745)
Sale of Assets	<u>38,000</u>	<u>17,786</u>	<u>(20,214)</u>	<u>12,979</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	(580,092)	517,274	1,097,366	154,110
Fund Balance at Beginning of Year	<u>1,569,736</u>	<u>1,569,736</u>	<u>-</u>	<u>1,415,626</u>
Fund Balance at End of Year	<u>\$ 989,644</u>	<u>\$2,087,010</u>	<u>\$1,097,366</u>	<u>\$ 1,569,736</u>

The accompanying notes constitute an integral part of this statement.

**CITY OF DENHAM SPRINGS**  
GENERAL FUND

SCHEDULE OF REVENUES, COMPARED TO BUDGET (GAAP BASIS)

FOR THE YEAR ENDED JUNE 30, 2000  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1999

	2000		Variance- Favorable (Unfavorable)	1999
	Budget	Actual		Actual
<b>Taxes:</b>				
Ad Valorem Taxes	\$ 139,000	\$ 135,970	\$ (3,030)	\$ 138,954
Alcoholic Beverage Tax	26,000	34,721	8,721	28,234
Chain Store Tax	13,000	17,690	4,690	15,535
Electrical Franchise Taxes	400,000	432,712	32,712	397,231
Sales Taxes	3,536,000	4,149,183	613,183	3,655,439
Tobacco Taxes	42,000	42,571	571	42,571
Cable TV Franchise Tax	65,000	93,361	28,361	65,359
Wrecker Franchise Tax	1,700	1,897	197	2,105
Video Poker Fees	-	-	-	176,470
	4,222,700	4,908,105	685,405	4,521,898
<b>Licenses and Permits:</b>				
Occupational Licenses	500,000	569,420	69,420	493,413
Other Permits and Licenses	90,000	89,320	(680)	132,350
	590,000	658,740	68,740	625,763
<b>Fines and Forfeits:</b>				
Ward II Court	188,000	205,178	17,178	174,827
911 Service Fees	180,000	188,662	8,662	185,202
<b>Miscellaneous:</b>				
Dog Licenses and Fees	7,000	10,075	3,075	9,250
Fire Insurance Commissions	17,000	18,880	1,880	18,173
Interest Income	60,000	89,229	29,229	76,973
Royalties	20,000	31,556	11,556	23,757
Miscellaneous	31,050	56,947	25,897	57,264
Summer Food Program	-	-	-	5,022
Law Enforcement Grants	147,700	138,990	(8,710)	162,895
Main Street Grant Revenue	5,750	15,109	9,359	13,500
Other Grant Revenue	18,000	7,648	(10,352)	34,021
Road Maintenance Fees	13,400	13,365	(35)	13,164

(CONTINUED)



**CITY OF DENHAM SPRINGS  
GENERAL FUND**

SCHEDULE OF REVENUES, COMPARED TO BUDGET (GAAP BASIS) (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2000  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1999

	<u>2000</u>		<u>Variance- Favorable (Unfavorable)</u>	<u>1999 Actual</u>
	<u>Budget</u>	<u>Actual</u>		
<b>Miscellaneous (Cont'd.):</b>				
Donations	-	-	-	16,101
Intergovernmental Revenue	147,000	156,840	9,840	159,380
Rent Income	500	291	(209)	320
Utility Administrative Charges	20,000	23,749	3,749	20,174
Arts Council Revenue	<u>12,290</u>	<u>16,635</u>	<u>4,345</u>	<u>-</u>
	<u>499,690</u>	<u>579,314</u>	<u>79,624</u>	<u>609,994</u>
 Total Revenues	 <u>\$5,680,390</u>	 <u>\$6,539,999</u>	 <u>\$ 859,609</u>	 <u>\$6,117,684</u>

See auditor's report.

**CITY OF DENHAM SPRINGS**  
GENERAL FUND

SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)

FOR THE YEAR ENDED JUNE 30, 2000  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1999

	2000		Variance	1999
	Budget	Actual	Favorable (Unfavorable)	Actual
<b>General Government:</b>				
General Provisions:				
Salaries	\$ 251,310	\$ 242,359	\$ 8,951	\$ 238,175
Aldermen's Per Diem	36,000	39,700	(3,700)	26,500
Payroll Taxes, Retirement, and Group Insurance	67,100	53,404	13,696	47,435
Contingency	50,000	-	50,000	-
Electricity	14,000	11,263	2,737	14,728
Equipment and Land	140,200	140,137	63	28,019
Insurance	22,400	30,744	(8,344)	14,416
Legal and Professional	85,830	99,964	(14,134)	66,311
Membership Fees and Educational Training	12,000	20,660	(8,660)	20,255
Miscellaneous	67,060	46,613	20,447	51,503
Printing, Postage and Office Supplies	46,500	44,597	1,903	38,614
Rental Equipment	8,000	5,582	2,418	9,199
Repairs and Maintenance	40,000	35,988	4,012	34,860
Small Tools and Supplies	3,500	3,733	(233)	2,510
Telephone	12,300	17,905	(5,605)	13,533
Travel	5,300	4,562	738	3,201
Total General Provisions	861,500	797,211	64,289	609,259

(CONTINUED)

CITY OF DENHAM SPRINGS  
GENERAL FUNDSCHEDULE OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS) (CONTINUED)FOR THE YEAR ENDED JUNE 30, 2000  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1999

	2000			
	Budget	Actual	Variance Favorable (Unfavorable)	1999 Actual
Cemetery:				
Salaries	43,310	43,315	(5)	41,707
Payroll Taxes, Retirement, and Group Insurance	9,540	9,810	(270)	9,069
Equipment	17,473	14,802	2,671	-
Equipment Expense	3,500	1,904	1,596	3,675
Legal and Professional	500	343	157	-
Maintenance Contract	2,600	6,813	(4,213)	1,945
Insurance	4,740	4,558	182	3,943
Miscellaneous	2,760	1,943	817	2,201
Small Tools	1,000	742	258	1,170
Total Cemetery	85,423	84,230	1,193	63,710
Tax:				
Salaries	44,370	42,919	1,451	36,840
Payroll Taxes, Retirement, and Group Insurance	9,540	7,742	1,798	7,132
Collection Fee	59,000	67,261	(8,261)	59,971
Equipment	7,000	2,677	4,323	2,200
Equipment Expense	1,200	1,090	110	930
Insurance	980	875	105	1,059
Legal and Professional	1,352	-	1,352	688
Miscellaneous	2,550	1,763	787	605
Printing, Postage and and Office Supplies	7,000	2,958	4,042	4,465
Small Tools and Supplies	200	236	(36)	153
Tax Roll	1,200	-	1,200	1,054
Total Tax	134,392	127,521	6,871	115,097

(CONTINUED)

**CITY OF DENHAM SPRINGS**  
GENERAL FUND

SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS) (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2000  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1999

	2000			
	Budget	Actual	Variance Favorable (Unfavorable)	1999 Actual
Ward Court:				
Group Insurance	2,300	2,405	(105)	2,619
Judge's Salary	26,000	25,800	200	25,800
Judge's Retirement	3,250	3,662	(412)	3,199
Building Maintenance	7,000	169	6,831	1,303
Additional Court Costs	10,000	4,613	5,387	3,690
Prosecuting Attorney	12,000	12,000	-	11,000
Total Ward Court	60,550	48,649	11,901	47,611
Planning and Development:				
Salaries	110,860	108,251	2,609	88,053
Payroll Taxes, Retirement, and Group Insurance	17,650	18,690	(1,040)	15,138
Equipment	500	1,028	(528)	280
Insurance	8,960	8,401	559	7,389
Legal and Professional	10,000	12,776	(2,776)	4,861
Miscellaneous	6,750	8,095	(1,345)	5,868
Demolition Expense	10,000	-	10,000	1,498
Printing, Postage and Office Supplies	5,400	2,439	2,961	3,020
Small Tools and Supplies	700	619	81	117
Vehicle Expense	4,000	4,129	(129)	3,230
Total Planning and Development	174,820	164,428	10,392	129,454

(CONTINUED)



**CITY OF DENHAM SPRINGS  
GENERAL FUND**

SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS) (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2000  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1999

	2000			1999
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Public Service Workers:				
Salaries	45,470	42,438	3,032	41,758
Payroll Taxes, Retirement, and Group Insurance	9,540	9,405	135	9,002
Equipment	16,500	16,309	191	1,462
Equipment Repairs	1,000	-	1,000	696
Small Tools and Supplies	5,000	12	4,988	6,083
Electricity	3,000	3,276	(276)	3,126
Insurance	5,370	5,271	99	4,674
Miscellaneous	6,960	10,141	(3,181)	6,284
Total Public Service Workers	92,840	86,852	5,988	73,085
Summer Food Program:				
Salaries	-	-	-	4,671
Payroll Taxes	-	-	-	405
Food Purchases	-	-	-	2,374
Insurance	-	-	-	170
Supplies	-	-	-	377
Total Summer Food Program	-	-	-	7,997
Total General Government	1,409,525	1,308,891	100,634	1,046,213

(CONTINUED)

CITY OF DENHAM SPRINGS  
GENERAL FUND

## SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS) (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2000  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1999

	2000		Variance	1999
	Budget	Actual	Favorable (Unfavorable)	Actual
<b>Public Safety:</b>				
Animal Control:				
Salaries	33,260	22,280	10,980	24,792
Payroll Taxes,				
Retirement, and				
Group Insurance	5,140	4,746	394	4,770
Electricity	1,200	1,226	(26)	1,107
Equipment	5,360	5,108	252	3,466
Equipment Expense	2,200	2,681	(481)	951
Insurance	2,130	2,161	(31)	1,505
Miscellaneous	8,900	7,761	1,139	11,863
Small Tools and				
Supplies	2,000	2,020	(20)	2,508
Total Animal Control	60,190	47,983	12,207	50,962
Fire:				
Salaries	674,110	663,894	10,216	651,076
Payroll Taxes,				
Retirement, and				
Group Insurance	155,650	146,176	9,474	142,068
Electricity	7,500	6,469	1,031	6,293
Legal and Professional	200	-	200	-
Equipment	35,100	34,689	411	16,928
Equipment Expense	22,000	19,493	2,507	19,174
Insurance	39,800	43,559	(3,759)	43,125
Membership Fees and				
Educational Training	12,000	12,910	(910)	4,236
Miscellaneous	9,820	10,425	(605)	5,451
Printing, Postage and				
Office Supplies	1,000	828	172	1,187
Rental Equipment	100	15	85	32
Repairs and				
Maintenance	10,900	6,665	4,235	5,954
Small Tools and				
Supplies	3,500	6,726	(3,226)	2,979
Telephone	6,000	6,483	(483)	6,321
Uniforms	4,000	3,779	221	4,665
Total Fire	981,680	962,111	19,569	909,489

(CONTINUED)

**CITY OF DENHAM SPRINGS**  
GENERAL FUND

SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS) (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2000  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1999

	2000			
	Budget	Actual	Variance Favorable (Unfavorable)	1999 Actual
Police:				
Salaries	1,272,990	1,268,186	4,804	1,151,891
Payroll Taxes, Retirement, and Group Insurance	275,950	282,505	(6,555)	250,942
Electricity	26,000	25,672	328	25,168
Equipment	282,500	248,953	33,547	149,105
Equipment Expense	128,000	121,982	6,018	89,200
Equipment Rental	4,500	3,042	1,458	4,186
Insurance	88,530	83,603	4,927	77,445
Jail Expense	2,000	-	2,000	865
Membership Fees and Educational Training	33,500	30,564	2,936	18,352
Miscellaneous	16,000	14,901	1,099	15,095
Printing, Postage and Office Supplies	12,300	9,102	3,198	12,346
Professional Fees	6,000	1,045	4,955	1,532
Repairs and Maintenance	13,500	15,836	(2,336)	11,625
Small Tools and Supplies	4,500	9,787	(5,287)	7,594
Telephone	11,000	10,157	843	11,223
Uniforms	22,000	16,166	5,834	14,344
Total Police	2,199,270	2,141,501	57,769	1,840,913
Total Public Safety	3,241,140	3,151,595	89,545	2,801,364

(CONTINUED)

CITY OF DENHAM SPRINGS  
GENERAL FUND

SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS) (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2000  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1999

	2000		Variance	1999
	Budget	Actual	Favorable (Unfavorable)	Actual
Highways and Streets:				
Streets:				
Salaries	450,620	423,705	26,915	350,351
Payroll Taxes, Retirement, and Group Insurance	98,770	90,450	8,320	74,507
Electricity	5,000	1,965	3,035	3,037
Equipment	171,200	163,014	8,186	51,670
Equipment Expense	100,600	116,828	(16,228)	100,135
Equipment Rental	16,000	28,698	(12,698)	18,145
Insurance	55,900	42,869	13,031	37,097
Uniforms	7,500	5,630	1,870	4,974
Legal and Professional	1,000	935	65	490
Streets Maintenance and Materials	80,000	60,409	19,591	57,897
Miscellaneous	12,750	8,517	4,233	12,735
Small Tools and Supplies	13,000	14,900	(1,900)	15,359
Telephone	3,000	7,069	(4,069)	3,913
Total Streets	1,015,340	964,989	50,351	730,310
Lighting:				
Electricity	107,000	92,364	14,636	90,019
Total Lighting	107,000	92,364	14,636	90,019
Total Highways and Streets	1,122,340	1,057,353	64,987	820,329
Health:				
Council on Aging	42,100	33,450	8,650	36,144
Head Start Program	4,000	-	4,000	-
Total Health	46,100	33,450	12,650	36,144

(CONTINUED)



CITY OF DENHAM SPRINGS  
GENERAL FUNDSCHEDULE OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS) (CONTINUED)FOR THE YEAR ENDED JUNE 30, 2000  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1999

	2000			
	Budget	Actual	Variance Favorable (Unfavorable)	1999 Actual
<b>Culture and Recreation:</b>				
Main Street Program:				
Salaries	23,870	25,884	(2,014)	22,407
Payroll Taxes, Retirement, and Group Insurance	5,080	5,126	(46)	4,503
Committee Expenses	5,000	10,503	(5,503)	7,335
Equipment	200	861	(661)	2,129
Grant Expenses	8,000	8,000	-	13,261
Insurance	-	422	(422)	734
Membership Fees and Educational Training	3,500	3,845	(345)	3,421
Printing, Postage and Office Supplies	1,050	3,129	(2,079)	1,078
Renovations of Old City Hall	38,597	32,807	5,790	-
Travel	1,750	380	1,370	1,702
Total Main Street Program	87,047	90,957	(3,910)	56,570
Arts Council:				
Salaries	9,230	9,438	(208)	-
Payroll Taxes, Retirement, and Group Insurance	730	722	8	-
Committee Expenses	910	3,387	(2,477)	-
Grant Expenses	10,000	10,468	(468)	-
Membership Fees and Educational Training	40	35	5	-
Printing, Postage and Office Supplies	980	587	393	-
Travel	400	279	121	-
Total Arts Council	22,290	24,916	(2,626)	-
Total Culture and Recreation	109,337	115,873	(6,536)	56,570
Total Expenditures	\$5,928,442	\$5,667,162	\$ 261,280	\$4,760,620

See auditor's report.

## DEBT SERVICE FUND

1994 Paving Certificates Debt Service Fund - To account for the collection of a special assessment on the property owners of the Lakeland Acres Subdivision. The proceeds of such collections to be used to make annual payments on the 1994 Paving Certificates of Indebtedness incurred for the benefit of the property owners of the Lakeland Acres Subdivision.

**CITY OF DENHAM SPRINGS  
DEBT SERVICE FUND**

COMPARATIVE BALANCE SHEETS

JUNE 30, 2000 AND 1999

**ASSETS**

	<u>2000</u>	<u>1999</u>
Cash and Cash Equivalents	\$ 30,611	\$ 34,863
Special Assessment Receivable:		
Current	13,878	20,959
Delinquent	2,734	4,151
Other Receivables		
(Net of Allowance for Uncollectible		
Accounts of \$458 in 2000 and		
\$2,500 in 1999	<u>234</u>	<u>41</u>
Total Assets	<u>\$ 47,457</u>	<u>\$ 60,014</u>

**LIABILITIES AND FUND BALANCE**

<b>Liabilities:</b>		
Deferred Revenues	\$ <u>13,878</u>	\$ <u>20,959</u>
Total Liabilities	13,878	20,959
<b>Fund Balance:</b>		
Reserved for Debt Service	<u>33,579</u>	<u>39,055</u>
Total Fund Balance	<u>33,579</u>	<u>39,055</u>
Total Liabilities and Fund Balance	<u>\$ 47,457</u>	<u>\$ 60,014</u>

The accompanying notes constitute an integral part of this statement.

**CITY OF DENHAM SPRINGS**  
DEBT SERVICE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE

FOR THE YEARS ENDED JUNE 30, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
<b>Revenues:</b>		
Special Assessments	\$ 7,081	\$ 8,419
Interest	4,122	4,277
Penalties	<u>129</u>	<u>127</u>
Total Revenues	11,332	12,823
<b>Expenditures:</b>		
Administrative Charges	350	358
Bad Debts	-	2,500
Legal Fees	80	-
Debt Service:		
Principal Retirement	13,321	13,321
Interest	<u>3,057</u>	<u>3,896</u>
Total Expenditures	16,808	20,075
Excess of Revenues over Expenditures	<u>(5,476)</u>	<u>(7,252)</u>
Fund Balance at Beginning of Year	<u>39,055</u>	<u>46,307</u>
Fund Balance at End of Year	<u>\$ 33,579</u>	<u>\$ 39,055</u>

The accompanying notes constitute an integral part of this statement.



### CAPITAL PROJECTS FUNDS

Street Overlay Fund - To account for the costs of major repairs of existing City streets. Construction in this fund tends to be continuous but in various degrees of activity from one year to the next.

Drainage Improvements Fund - To account for the costs of improving the major drainage canals throughout the City. Construction in this fund also tends to be continuous but in various degrees of activity from one year to the next.

Renovations to Buildings - To account for the construction costs and/or renovations and improvements to the City buildings.

**CITY OF DENHAM SPRINGS  
CAPITAL PROJECTS FUNDS**

COMBINING BALANCE SHEETS

JUNE 30, 2000  
WITH COMPARATIVE TOTALS AS OF JUNE 30, 1999

	<u>Street Overlay</u>	<u>Drainage Improvements</u>	<u>Building Renovations</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ -	\$ -	\$ 75,955
Certificates of Deposit	-	-	200,000
Accrued Interest Receivable	-	-	4,075
Due from Other Funds	280,000	42,144	193,752
Due from Other Governments	44,550	21,655	
Other Receivable	<u>10,919</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 335,469</u>	<u>\$ 63,799</u>	<u>\$ 473,782</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 14,775	\$ -	\$ 5,735
Retainages Payable	33,819	-	-
Due to Other Funds	<u>235,896</u>	<u>-</u>	<u>-</u>
Total Liabilities	284,490	-	5,735
<b>Fund Balances:</b>			
Unreserved -Designated for Construction	<u>50,979</u>	<u>63,799</u>	<u>468,047</u>
Total Fund Balances	<u>50,979</u>	<u>63,799</u>	<u>468,047</u>
Total Liabilities and Fund Balances	<u>\$ 335,469</u>	<u>\$ 63,799</u>	<u>\$ 473,782</u>

The accompanying notes constitute an integral part of this statement.

<u>Totals</u>	
<u>2000</u>	<u>1999</u>
\$ 75,955	\$ 688,016
200,000	200,000
4,075	583
515,896	173,594
66,205	348,705
<u>10,919</u>	<u>5,910</u>
\$ 873,050	\$1,416,808
<u>                    </u>	<u>                    </u>

\$ 20,510	\$ 130,895
33,819	56,942
<u>235,896</u>	<u>173,594</u>
290,225	361,431

<u>582,825</u>	<u>1,055,377</u>
582,825	1,055,377
<u>                    </u>	<u>                    </u>

\$ 873,050	\$1,416,808
<u>                    </u>	<u>                    </u>

**CITY OF DENHAM SPRINGS**  
**CAPITAL PROJECTS FUNDS**

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2000  
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1999

	<u>Street Overlay</u>	<u>Drainage Improvements</u>	<u>Building Renovations</u>
<b>Revenues:</b>			
Interest	\$ 8,557	\$ -	\$ 22,430
State Grants	<u>44,550</u>	<u>-</u>	<u>-</u>
Total Revenues	53,107	-	22,430
<b>Expenditures - Capital Projects:</b>			
Construction Contracts	680,873	-	-
Construction Costs	1,975	50	5,789
Engineering	<u>116,986</u>	<u>-</u>	<u>22,416</u>
Total Expenditures	<u>799,834</u>	<u>50</u>	<u>28,205</u>
Deficiency of Revenues over Expenditures	(746,727)	(50)	(5,775)
<b>Other Financing Sources:</b>			
Operating Transfers In	<u>280,000</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	(466,727)	(50)	(5,775)
Fund Balances at Beginning of Year	<u>517,706</u>	<u>63,849</u>	<u>473,822</u>
Fund Balances at End of Year	<u>\$ 50,979</u>	<u>\$ 63,799</u>	<u>\$ 468,047</u>

The accompanying notes constitute an integral part of this statement.



<u>Totals</u>	
<u>2000</u>	<u>1999</u>
\$ 30,987	\$ 8,445
<u>44,550</u>	<u>300,280</u>
75,537	308,725
680,873	1,161,020
7,814	64,574
<u>139,402</u>	<u>168,949</u>
828,089	1,394,543
(752,552)	(1,085,818)
<u>280,000</u>	<u>1,121,210</u>
(472,552)	35,392
<u>1,055,377</u>	<u>1,019,985</u>
\$ 582,825	\$ 1,055,377

CITY OF DENHAM SPRINGS  
STREET OVERLAY CAPITAL PROJECTS FUND

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - STREETS, BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Interest	\$ -	\$ 8,557	\$ 8,557
State Grants	<u>2,038,200</u>	<u>44,550</u>	<u>(1,993,650)</u>
Total Revenues	2,038,200	53,107	(1,985,093)
<b>Expenditures:</b>			
Construction Contracts	2,143,200	680,873	1,462,327
Construction Costs	-	1,975	(1,975)
Engineering	<u>125,000</u>	<u>116,986</u>	<u>8,014</u>
Total Expenditures	<u>2,268,200</u>	<u>799,834</u>	<u>1,468,366</u>
Excess (Deficiency) of Revenues over Expenditures	(230,000)	(746,727)	(516,727)
<b>Other Financing Sources:</b>			
Operating Transfers In	<u>280,000</u>	<u>280,000</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	50,000	(466,727)	(516,727)
Fund Balance at Beginning of Year	<u>517,706</u>	<u>517,706</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 567,706</u>	<u>\$ 50,979</u>	<u>\$ (516,727)</u>

The accompanying notes constitute an integral part of this statement.

**CITY OF DENHAM SPRINGS**  
DRAINAGE IMPROVEMENTS CAPITAL PROJECTS FUND

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - DRAINAGE, BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Interest	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>			
Construction Costs	<u>-</u>	<u>50</u>	<u>(50)</u>
Total Expenditures	<u>-</u>	<u>50</u>	<u>(50)</u>
Deficiency of Revenues over Expenditures	<u>-</u>	<u>(50)</u>	<u>(50)</u>
Fund Balance at Beginning of Year	<u>63,849</u>	<u>63,849</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 63,849</u>	<u>\$ 63,799</u>	<u>\$ (50)</u>

The accompanying notes constitute an integral part of this statement.

**CITY OF DENHAM SPRINGS**  
**BUILDING RENOVATIONS CAPITAL PROJECTS FUND**

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - RENOVATIONS, BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Interest	\$ -	\$ 22,430	\$ 22,430
Total Revenues	-	22,430	22,430
<b>Expenditures:</b>			
Construction Costs	15,000	5,789	9,211
Engineering	<u>35,000</u>	<u>22,416</u>	<u>12,584</u>
Total Expenditures	<u>50,000</u>	<u>28,205</u>	<u>21,795</u>
Deficiency of Revenues over Expenditures	(50,000)	(5,775)	44,225
Fund Balance at Beginning of Year	<u>473,822</u>	<u>473,822</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 423,822</u>	<u>\$ 468,047</u>	<u>\$ 44,225</u>

The accompanying notes constitute an integral part of this statement.

## ENTERPRISE FUND

Utility Fund - To account for the provision of gas, water, sewer and sanitation services to the residents of the City of Denham Springs and some residents of the parishes of Livingston and East Baton Rouge. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.



CITY OF DENHAM SPRINGS  
UTILITY ENTERPRISE FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
<b><u>ASSETS</u></b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 956,717	\$ 1,044,196
<b>Investments:</b>		
Certificates of Deposit - (Maturities Greater than 90 Days)	1,966,332	1,575,000
Government Securities Mutual Funds	<u>-</u>	<u>28,001</u>
	1,966,332	1,603,001
<b>Receivables:</b>		
Accounts (Net of Allowance for Uncollectible Accounts of \$30,000 in 2000 and \$23,600 in 1999)	231,885	190,963
Other	69,343	17,434
Unbilled Utility Sales	161,992	284,882
Due from Other Funds	-	157
Due from Other Governments	10,000	227,404
Inventory, at Cost	117,434	101,115
Prepaid Expenses	<u>13,066</u>	<u>4,902</u>
Total Current Assets	3,526,769	3,474,054
<b>Restricted Assets:</b>		
Certificate of Deposit - Customer Deposit Account (Maturity Greater Than 90 Days)	<u>465,000</u>	<u>445,000</u>
Total Restricted Assets	465,000	445,000
<b>Property, Plant and Equipment, at Cost (Net of Accumulated Depreciation of \$8,909,752 in 2000 and \$8,434,752 in 1999)</b>	<u>15,440,406</u>	<u>15,340,862</u>
Total Assets	<u>\$19,432,175</u>	<u>\$19,259,916</u>

The accompanying notes constitute an integral part of this statement.

	2000	1999
<b><u>LIABILITIES AND FUND EQUITY</u></b>		
<b>Current Liabilities (Payable from Current Assets):</b>		
Accounts Payable	\$ 168,732	\$ 172,391
Retainage Payable	51,812	189,902
Accrued Salaries and Wages	28,875	23,496
Due to Other Funds	6,160	48,986
Due to Other Government Agencies	2,114	2,114
Other Current Liabilities	18,260	38,384
Bonds Payable - 1998 Series - Current Portion	225,467	219,438
Accrued Bond Interest	23,310	27,260
Total Current Liabilities (Payable from Current Assets)	524,730	721,971
<b>Current Liabilities (Payable from Restricted Assets):</b>		
Customers' Deposits	470,599	455,410
Total Current Liabilities (Payable from Restricted Assets)	470,599	455,410
<b>Long-Term Liabilities:</b>		
Accumulated Unpaid Vacation	35,823	35,823
Bonds Payable - 1998 Series	1,069,541	1,295,009
Deferred Amount on Refunding	(71,534)	(86,123)
Total Long-Term Liabilities	1,033,830	1,244,709
Total Liabilities	2,029,159	2,422,090
<b>Fund Equity:</b>		
Contributed Capital:		
Federal Grants	6,138,703	5,958,344
State Grants	490,853	490,853
Residual Equity Transfer - General Fund	600,000	600,000
Impact Fees - Developers	308,830	222,914
Other	46,316	26,316
Total Contributed Capital	7,584,702	7,298,427
Retained Earnings:		
Unreserved	9,818,314	9,539,399
Total Retained Earnings	9,818,314	9,539,399
Total Fund Equity	17,403,016	16,837,826
Total Liabilities and Fund Equity	\$19,432,175	\$19,259,916

CITY OF DENHAM SPRINGS  
UTILITY ENTERPRISE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN RETAINED EARNINGS

FOR THE YEARS ENDED JUNE 30, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
<b>Operating Revenues:</b>		
Charges for Services:		
Gas Sales	\$1,957,115	\$1,725,881
Water Sales	1,035,442	1,022,172
Sewer Service	545,411	541,764
Sanitation Service	492,652	486,221
Delinquent Charges	54,542	47,444
	<u>4,085,162</u>	<u>3,823,482</u>
<b>Operating Expenses:</b>		
Gas Department	1,787,973	1,550,153
Water Department	745,576	738,061
Sewer Department	851,999	765,938
Sanitation Department	523,864	525,458
	<u>3,909,412</u>	<u>3,579,610</u>
Operating Income	175,750	243,872
<b>Nonoperating Revenues:</b>		
Interest	176,899	160,057
Miscellaneous	45,945	22,876
	<u>222,844</u>	<u>182,933</u>
<b>Nonoperating Expenses:</b>		
Interest	105,090	124,029
Amortization of Bond Costs	14,589	11,301
	<u>119,679</u>	<u>135,330</u>
Net Income	278,915	291,475
Retained Earnings at Beginning of Year	<u>9,539,399</u>	<u>9,247,924</u>
Retained Earnings at End of Year	<u>\$9,818,314</u>	<u>\$9,539,399</u>

The accompanying notes constitute an integral part of this statement.

**CITY OF DENHAM SPRINGS  
UTILITY ENTERPRISE FUND**

COMPARATIVE STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
<b>Cash Flows From Operating Activities:</b>		
Operating Income	\$ 175,750	\$ 243,872
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	574,362	529,762
Provision for Bad Debts	6,399	8,750
Miscellaneous Revenues	45,945	22,876
 Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(47,321)	(50,408)
(Increase) Decrease in Other Receivables	(51,909)	766
(Increase) Decrease in Unbilled Utility Sales	122,890	(71,331)
(Increase) Decrease in Due from Other Funds	157	143,174
(Increase) Decrease in Due from Government Agencies	217,404	(133,459)
(Increase) Decrease in Inventory	(16,319)	20,051
(Increase) Decrease in Prepaid Expenses	(8,164)	26,028
Increase (Decrease) in Accounts Payable	(3,659)	89,201
Increase (Decrease) in Retainage Payable	(138,090)	157,495
Increase (Decrease) in Accrued Salaries and Wages	5,379	3,876
Increase (Decrease) in Due to Other Funds	(42,826)	48,986
Increase (Decrease) in Other Current Liabilities	(20,124)	(6,175)
Increase (Decrease) in Accrued Bond Interest	(3,950)	27,260
Increase (Decrease) in Accumulated Unpaid Vacation	-	32
 Net Cash Provided by Operating Activities	 815,924	 1,060,756

(CONTINUED)

CITY OF DENHAM SPRINGS  
UTILITY ENTERPRISE FUND

COMPARATIVE STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED JUNE 30, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
Cash Flows From Capital and Related Financing Activities:		
Acquisition and Construction of Property and Equipment	(673,906)	(3,443,576)
(Increase) Decrease in Restricted Assets	(20,000)	530,776
Increase (Decrease) in Liabilities Payable From Restricted Assets	15,189	(29,694)
Reduction in Principal on Bonds	(219,439)	(453,582)
Grant - U.S. E.P.A.	180,359	3,104,924
Other Grant	20,000	-
Impact Fees - Developers	85,916	98,499
Interest Paid on Revenue Bonds	(105,090)	(124,029)
Increase in Deferred Bond Costs	-	(51,360)
Net Cash Used in Capital and Related Financing Activities	(716,971)	(368,042)
Cash Flows From Investing Activities:		
Net Sale (Purchase) of Investments	(363,331)	(28,001)
Interest Income	176,899	160,057
Net Cash Provided by (Used in) Investing Activities	(186,432)	132,056
Net Decrease in Cash and Cash Equivalents	(87,479)	(824,770)
Cash and Cash Equivalents - Beginning of Year	<u>1,044,196</u>	<u>219,426</u>
Cash and Cash Equivalents - End of Year	<u>\$ 956,717</u>	<u>\$ 1,044,196</u>
Schedule of Noncash Investing, Capital and Financing Activities:		
Amortization of Deferred Bond Expense	<u>\$ 14,589</u>	<u>\$ 11,301</u>

The accompanying notes constitute an integral part of this statement.



CITY OF DENHAM SPRINGS  
UTILITY ENTERPRISE FUND

COMPARATIVE SCHEDULES OF NET INCOME (LOSS) FROM  
OPERATIONS BY DEPARTMENT

FOR THE YEARS ENDED JUNE 30, 2000 AND 1999

	<u>Gas Department</u>		<u>Water Department</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
<b>Operating Revenues:</b>				
Charges for Services	\$1,957,115	\$1,725,881	\$1,006,696	\$ 990,853
Miscellaneous	<u>-</u>	<u>-</u>	<u>28,746</u>	<u>31,319</u>
Total Operating Revenues	1,957,115	1,725,881	1,035,442	1,022,172
<b>Operating Expenses:</b>				
Direct	1,570,296	1,366,782	559,201	577,718
General and Administrative	<u>217,677</u>	<u>183,371</u>	<u>186,375</u>	<u>160,343</u>
Total Operating Expenses	<u>1,787,973</u>	<u>1,550,153</u>	<u>745,576</u>	<u>738,061</u>
Operating Income (Loss) By Department	<u>\$ 169,142</u>	<u>\$ 175,728</u>	<u>\$ 289,866</u>	<u>\$ 284,111</u>
<b>Other Operating Revenues:</b>				
Delinquent Charges				
Net Operating Income				

See auditor's report.

Schedule I-4

<u>Sewer Department</u>		<u>Sanitation Department</u>		<u>Total</u>	
<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
\$ 544,975	\$ 541,628	\$ 492,652	\$ 486,221	\$4,001,438	\$3,744,583
<u>436</u>	<u>136</u>	<u>-</u>	<u>-</u>	<u>29,182</u>	<u>31,455</u>
545,411	541,764	492,652	486,221	4,030,620	3,776,038
706,888	628,785	483,070	484,671	3,319,455	3,057,956
<u>145,111</u>	<u>137,153</u>	<u>40,794</u>	<u>40,787</u>	<u>589,957</u>	<u>521,654</u>
<u>851,999</u>	<u>765,938</u>	<u>523,864</u>	<u>525,458</u>	<u>3,909,412</u>	<u>3,579,610</u>
<u>\$ (306,588)</u>	<u>\$ (224,174)</u>	<u>\$ (31,212)</u>	<u>\$ (39,237)</u>	121,208	196,428
				<u>54,542</u>	<u>47,444</u>
				<u>\$ 175,750</u>	<u>\$ 243,872</u>

**CITY OF DENHAM SPRINGS**  
**UTILITY ENTERPRISE FUND**

COMPARATIVE SCHEDULES OF OPERATING EXPENSES BY DEPARTMENT

FOR THE YEARS ENDED JUNE 30, 2000 AND 1999

	Gas Department		Water Department	
	2000	1999	2000	1999
<b>Direct Expenses:</b>				
Natural Gas Purchases	\$ 881,960	\$ 703,096	\$ -	\$ -
Direct Labor	326,716	304,236	146,668	175,128
Chlorinator Expense	-	-	10,965	12,144
Depreciation	96,346	103,412	196,111	194,775
Electricity	14,687	9,914	72,277	76,832
Equipment Expenses	73,067	52,718	36,063	25,048
Equipment Rental	11,861	17,371	2,584	6,415
Lab Fees	-	-	-	-
Maintenance	99,665	116,998	37,959	31,735
Meter Reading	35,983	34,863	50,035	48,825
Meter Repairs	12,550	7,195	-	-
Small Tools and Supplies	17,461	16,979	6,539	6,816
Subcontract Disposal Service	-	-	-	-
Water Pollution Fee	-	-	-	-
	<u>1,570,296</u>	<u>1,366,782</u>	<u>559,201</u>	<u>577,718</u>
<b>General and Administrative Expenses:</b>				
Office Salaries	29,629	28,943	40,576	38,977
Payroll Taxes, Retirement and Group Insurance	64,827	61,060	40,240	43,420
Administrative Charges	5,586	4,783	7,650	6,442
Electricity	2,250	1,592	3,082	2,143
Ground Maintenance	3,611	385	699	1,314
Insurance	39,688	32,121	30,517	25,091
Miscellaneous	30,644	18,165	12,314	11,018
Office Expense	19,272	15,218	16,743	9,555
Professional Fees	3,815	4,652	23,097	7,709
Telephone	16,850	14,378	9,396	11,880
Bad Debts	2,505	2,074	2,061	2,794
	<u>217,677</u>	<u>183,371</u>	<u>186,375</u>	<u>160,343</u>
<b>Total Operating Expenses</b>	<u>\$1,787,973</u>	<u>\$1,550,153</u>	<u>\$ 745,576</u>	<u>\$ 738,061</u>

See auditor's report.

Sewer Department		Sanitation Department		Total	
2000	1999	2000	1999	2000	1999
\$ -	\$ -	\$ -	\$ -	\$ 881,960	\$ 703,096
214,229	205,023	-	-	687,613	684,387
-	-	-	-	10,965	12,144
261,750	212,025	20,155	19,550	574,362	529,762
90,367	55,033	-	-	177,331	141,779
28,433	43,374	2,463	2,417	140,026	123,557
1,578	4,751	-	-	16,023	28,537
12,727	12,403	-	-	12,727	12,403
90,297	81,039	-	-	227,921	229,772
-	-	-	-	86,018	83,688
-	-	-	-	12,550	7,195
7,507	10,690	7	51	31,514	34,536
-	-	460,445	462,653	460,445	462,653
-	4,447	-	-	-	4,447
706,888	628,785	483,070	484,671	3,319,455	3,057,956
34,290	33,032	21,479	21,118	125,974	122,070
48,373	43,275	3,189	3,292	156,629	151,047
6,465	5,459	4,049	3,490	23,750	20,174
2,604	1,816	1,631	1,161	9,567	6,712
-	500	-	-	4,310	2,199
15,981	16,274	485	1,615	86,671	75,101
8,172	8,222	2,308	2,256	53,438	39,661
13,527	13,109	2,307	1,768	51,849	39,650
6,222	5,074	2,599	3,084	35,733	20,519
7,735	8,024	1,656	1,489	35,637	35,771
1,742	2,368	1,091	1,514	6,399	8,750
145,111	137,153	40,794	40,787	589,957	521,654
<u>\$ 851,999</u>	<u>\$ 765,938</u>	<u>\$ 523,864</u>	<u>\$ 525,458</u>	<u>\$3,909,412</u>	<u>\$3,579,610</u>

## INTERNAL SERVICE FUND

Motor Pool Fund - To account for the costs of operating a maintenance facility for automotive equipment used by other City departments. Costs for gasoline, diesel fuel, motor oil, and the like are billed to the other departments at cost plus thirty percent. Actual costs include depreciation on the garage building, improvements, and equipment used to provide the service. The automotive equipment itself is acquired by the various user departments which are also responsible for replacement vehicles as necessary.



**CITY OF DENHAM SPRINGS**  
**MOTOR POOL INTERNAL SERVICE FUND**

**COMPARATIVE BALANCE SHEETS**

JUNE 30, 2000 AND 1999

<b>ASSETS</b>	<u>2000</u>	<u>1999</u>
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 26,338	12,584
Due from Other Funds	9,040	9,982
Inventory at Cost	14,602	8,623
Prepaid Insurance	370	-
Other Assets	<u>234</u>	<u>66</u>
Total Current Assets	50,584	31,255
 Property, Plant, and Equipment, at Cost (Net of Accumulated Depreciation of \$127,738 in 2000 and \$122,486 in 1999)	 <u>19,979</u>	 <u>25,231</u>
Total Assets	<u>\$ 70,563</u>	<u>\$ 56,486</u>
 <b>LIABILITIES AND FUND EQUITY</b>		
<b>Current Liabilities:</b>		
Accounts Payable	\$ 8,801	\$ 3,756
Due to Other Funds	-	157
Accumulated Unpaid Vacation	2,188	2,139
Other Accrued Expenses	<u>2,154</u>	<u>1,810</u>
Total Current Liabilities	13,143	7,862
 <b>Fund Equity:</b>		
Retained Earnings	<u>57,420</u>	<u>48,624</u>
Total Fund Equity	<u>57,420</u>	<u>48,624</u>
Total Liabilities and Fund Equity	<u>\$ 70,563</u>	<u>\$ 56,486</u>

The accompanying notes constitute an integral part of this statement.

**CITY OF DENHAM SPRINGS**  
**MOTOR POOL INTERNAL SERVICE FUND**

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES  
IN RETAINED EARNINGS

FOR THE YEARS ENDED JUNE 30, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
Sales and Labor Charges	\$ 350,973	\$ 282,442
Cost of Sales	<u>294,280</u>	<u>236,395</u>
Gross Profit	56,693	46,047
<b>Operating Expenses:</b>		
Salaries	27,327	26,608
Payroll Taxes, Retirement, and Group Insurance	5,640	5,216
Depreciation	5,251	5,491
Insurance	3,245	2,932
Miscellaneous	1,274	374
Repairs and Maintenance	1,307	3,748
Small Tools and Supplies	881	1,065
Telephone and Utilities	3,669	119
Office Supplies	177	-
Uniforms	243	275
Vehicle Expense	<u>412</u>	<u>375</u>
Total Operating Expenses	<u>49,426</u>	<u>46,203</u>
Operating Income (Loss)	7,267	(156)
<b>Nonoperating Revenue:</b>		
Miscellaneous Income	<u>1,529</u>	<u>179</u>
Total Nonoperating Revenues	<u>1,529</u>	<u>179</u>
Net Income	8,796	23
Retained Earnings at Beginning of Year	<u>48,624</u>	<u>48,601</u>
Retained Earnings at End of Year	<u>\$ 57,420</u>	<u>\$ 48,624</u>

The accompanying notes constitute an integral part of this statement.

**CITY OF DENHAM SPRINGS**  
**MOTOR POOL INTERNAL SERVICE FUND**

COMPARATIVE STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
<b>Cash Flows From Operating Activities:</b>		
Operating Income (Loss)	\$ 7,267	\$ (156)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	5,251	5,491
Miscellaneous Revenues	1,529	179
 Changes in Assets and Liabilities:		
(Increase) Decrease in Due from Other Funds	942	(9,982)
(Increase) Decrease in Inventory	(5,978)	4,783
(Increase) Decrease in Prepaid Insurance	(370)	-
(Increase) Decrease in Other Assets	(168)	517
Increase (Decrease) in Accounts Payable	5,045	2,383
Increase (Decrease) in Due to Other Funds	(157)	(1,358)
Increase (Decrease) in Other Accrued Expenses	344	526
Increase (Decrease) in Accumulated Unpaid Vacation	<u>49</u>	<u>41</u>
Net Cash Provided by Operating Activities	<u>13,754</u>	<u>2,424</u>
Net Increase in Cash and Equivalents	13,754	2,424
Cash and Cash Equivalents - Beginning of Year	<u>12,584</u>	<u>10,160</u>
Cash and Cash Equivalents - End of Year	<u>\$ 26,338</u>	<u>\$ 12,584</u>

The accompanying notes constitute an integral part of this statement.

## TRUST FUND

Expendable Cemetery Trust Fund - The Expendable Cemetery Trust Fund was established by the City on June 28, 1993, to account for the revenues generated from the sale of cemetery plots and the interest earned by the cash and investments of the fund. The initial funding of \$150,000 was transferred from the General Fund on July 1, 1993.

CITY OF DENHAM SPRINGS  
EXPENDABLE CEMETERY TRUST FUND

COMPARATIVE BALANCE SHEETS

JUNE 30, 2000 AND 1999

**ASSETS**

	<u>2000</u>	<u>1999</u>
Cash and Cash Equivalents	\$ 1,417	\$ 71,797
Certificates of Deposit - (Maturities Greater Than 90 Days)	410,000	311,123
Accrued Interest Receivable	<u>960</u>	<u>230</u>
Total Assets	<u>\$412,377</u>	<u>\$383,150</u>

**FUND BALANCE**

**Fund Balances:**

Reserved for Cemetery Expenditures	<u>\$412,377</u>	<u>\$383,150</u>
Total Liabilities and Fund Balances	<u>\$412,377</u>	<u>\$383,150</u>

The accompanying notes constitute an integral part of this statement.



**CITY OF DENHAM SPRINGS**  
EXPENDABLE CEMETERY TRUST FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

FOR THE YEARS ENDED JUNE 30, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
<b>Revenues:</b>		
Sales of Cemetery Plots	\$ 7,725	\$ 12,950
Interest	<u>21,502</u>	<u>19,646</u>
Total Revenues	29,227	32,596
<b>Expenditures:</b>		
Bank Charges	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Excess Revenues over Expenditures	29,227	32,596
Fund Balance at Beginning of Year	<u>383,150</u>	<u>350,554</u>
Fund Balance at End of Year	<u>\$ 412,377</u>	<u>\$ 383,150</u>

The accompanying notes constitute an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operation.

**CITY OF DENHAM SPRINGS**  
STATEMENTS OF GENERAL FIXED ASSETS

JUNE 30, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
<b>General Fixed Assets, at Cost:</b>		
Land	\$ 628,671	\$ 571,271
Land Improvements	34,417	34,417
Buildings	3,739,279	3,535,872
Equipment	3,187,831	2,835,602
Furniture and Fixtures	47,136	47,136
Construction in Progress	<u>84,675</u>	<u>169,470</u>
Total General Fixed Assets	<u>\$7,722,009</u>	<u>\$7,193,768</u>
 <b>Investments in General Fixed Assets From:</b>		
General Fund Revenues	\$3,728,059	\$3,228,023
Federal Revenues and Federal Grants	429,535	429,535
Capital Improvement Funds:		
City's Share of Cost:		
General Fund	2,510,192	2,481,987
Federal Revenue Sharing	201,482	201,482
Federal Grants	492,741	492,741
State Grants	<u>360,000</u>	<u>360,000</u>
Total Investment in General Fixed Assets	<u>\$7,722,009</u>	<u>\$7,193,768</u>

The accompanying notes constitute an integral part of this statement.

**CITY OF DENHAM SPRINGS**

**SCHEDULE OF GENERAL FIXED ASSETS -  
BY FUNCTION AND ACTIVITY**

JUNE 30, 2000

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>
<b><u>Function and Activity:</u></b>			
General Government:			
General Government			
Buildings	\$ 415,439	\$ 13,950	\$1,563,774
Administration	-	-	-
Cemetery	2,000	11,002	10,313
Tax	-	-	-
Planning and			
Development	-	-	-
Public Service			
Workers	-	-	10,647
Total General			
Government	417,439	24,952	1,584,734
Public Safety:			
Animal Control	1,500	512	81,603
Fire	8,250	-	232,426
Police	201,482	8,953	1,475,445
Total Public			
Safety	211,232	9,465	1,789,474
Highways and Streets:			
Streets	-	-	5,174
Health:			
Council on Aging	-	-	359,897
Culture and Recreation:			
Main Street Program	-	-	-
Total General			
Fixed Assets			
Allocated to			
Functions	\$ 628,671	\$ 34,417	\$3,739,279

Construction in Progress

Total General Fixed  
Assets

The accompanying notes constitute an integral part of this statement.

<u>Equipment</u>	<u>Furniture and Fixtures</u>	<u>Totals</u>	
		<u>2000</u>	<u>1999</u>
\$ -	\$ 47,136	\$2,040,299	\$1,779,492
209,386	-	209,386	201,950
33,553	-	56,868	42,066
25,835	-	25,835	23,158
69,069	-	69,069	68,041
<u>46,772</u>	<u>-</u>	<u>57,419</u>	<u>41,110</u>
384,615	47,136	2,458,876	2,155,817
33,049	-	116,664	111,556
817,123	-	1,057,799	1,035,896
<u>1,064,404</u>	<u>-</u>	<u>2,750,284</u>	<u>2,601,557</u>
1,914,576	-	3,924,747	3,749,009
885,114	-	890,288	756,910
-	-	359,897	359,897
<u>3,526</u>	<u>-</u>	<u>3,526</u>	<u>2,665</u>
<u>\$3,187,831</u>	<u>\$ 47,136</u>	7,637,334	7,024,298
		<u>84,675</u>	<u>169,470</u>
		<u>\$7,722,009</u>	<u>\$7,193,768</u>



## CITY OF DENHAM SPRINGS

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS -  
BY FUNCTION AND ACTIVITY

FOR THE YEAR ENDED JUNE 30, 2000

Function and Activity:	General Fixed Assets 07/01/99	Additions	Deductions	General Fixed Assets 06/30/00
General Government:				
General Government				
Buildings	\$1,779,492	\$ 260,807	\$ -	\$2,040,299
Administration	201,950	25,137	(17,701)	209,386
Cemetery	42,066	14,802	-	56,868
Tax	23,158	2,677	-	25,835
Planning and Development	68,041	1,028	-	69,069
Public Service Workers	41,110	16,309	-	57,419
Total General Government	2,155,817	320,760	(17,701)	2,458,876
Public Safety:				
Animal Control	111,556	5,108	-	116,664
Fire	1,035,896	34,689	(12,786)	1,057,799
Police	2,601,557	248,953	(100,226)	2,750,284
Total Public Safety	3,749,009	288,750	(113,012)	3,924,747
Highways and Streets:				
Streets	756,910	163,014	(29,536)	890,288
Health:				
Council on Aging	359,897	-	-	359,897
Culture and Recreation:				
Main Street Program	2,665	861	-	3,526
Total General Fixed Assets Allocated to Functions	7,024,298	773,385	(160,349)	7,637,334
Construction in Progress	169,470	61,012	(145,807)	84,675
Total General Fixed Assets	\$7,193,768	\$ 834,397	\$ (306,156)	\$7,722,009

The accompanying notes constitute an integral part of this statement.

GENERAL LONG-TERM DEBT  
ACCOUNT GROUP

To account for unmatured principal amounts on general long-term debt expected to be financed from governmental type funds. Payment of maturing obligations, including interest, are accounted for in the debt service funds. To also account for the accumulated unpaid vacation to be financed from the general fund.

**CITY OF DENHAM SPRINGS**STATEMENTS OF GENERAL LONG-TERM DEBT

JUNE 30, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT		
Amount Available in Debt Service Fund for the Payment of the 1993 Paving Certificates	\$ 33,579	\$ 39,055
Amount to be Provided from Special Assessments Receivables	6,384	14,229
Amount to be Provided for Accumulated Unpaid Vacation	<u>321,057</u>	<u>292,009</u>
	<u>\$361,020</u>	<u>\$345,293</u>
 GENERAL LONG-TERM DEBT PAYABLE		
1993 Paving Certificates	\$ 39,963	\$ 53,284
Accumulated Unpaid Vacation	<u>321,057</u>	<u>292,009</u>
	<u>\$361,020</u>	<u>\$345,293</u>

The accompanying notes constitute an integral part of this statement.

SUPPLEMENTARY INFORMATION

## CITY OF DENHAM SPRINGS

SCHEDULE OF COMPENSATION OF CITY COUNCIL MEMBERS

FOR THE YEARS ENDED JUNE 30, 2000 AND 1999

CURRENT TERMS EXPIRE DECEMBER 31, 2002

	<u>2000</u>	<u>1999</u>
James Delaune, Mayor 1560 4-H Club Road Denham Springs, Louisiana 70726 Telephone: 665-8124	\$47,809	\$40,301
James E. Durbin, Council Member 417 Centerville Street Denham Springs, Louisiana 70726 Telephone: 664-5802	\$ 7,700	\$ 5,400
Sterling Vincent, Council Member 103 Carroll Street Denham Springs, Louisiana 70726 Telephone: 665-2485	\$ 8,000	\$ 5,400
Streets Commissioner	\$11,590	\$10,537
Roy Zachary, Council Member (Term expired 12/31/98) 339 North College Drive Denham Springs, Louisiana 70726 Telephone: 664-7265	\$ -	\$ 1,300
Arthur Perkins, Council Member 906 Hatchell Lane Denham Springs, Louisiana 70726 Telephone: 664-6730	\$ 8,000	\$ 5,400
John Wascom, Council Member (Term expired 12/31/98) 522 Centerville Street Denham Springs, Louisiana 70726 Telephone: 665-7037	\$ -	\$ 1,800
Brent Dugas, Council Member 1440 Cottonwood Dr. Denham Springs, Louisiana 70726 Telephone: 665-3802	\$ 8,000	\$ 3,600
Layton Ricks, Council Member 916 Jane Drive Denham Springs, Louisiana 70726 Telephone: 665-7816	\$ 8,000	\$ 3,600



THIS SECTION WHICH IS COMPOSED OF ACCOUNTING  
AND NONACCOUNTING DATA IS PRESENTED IN ORDER TO  
PROVIDE THE READER WITH ADDITIONAL INFORMATION  
AS AN AID TO UNDERSTANDING THE FINANCIAL ACTIVITIES  
OF THE GOVERNMENTAL UNIT

**CITY OF DENHAM SPRINGS**SCHEDULE OF INSURANCE COVERAGE IN FORCE (UNAUDITED)

JUNE 30, 2000

<u>Insurance</u>	<u>Coverage</u>	<u>Amount</u>	<u>Expiration Date</u>
CNA Surety	Public Official Bonds Mayor; James Delaune	\$ 50,000	1/04/01
	Council Members:		
	Arthur Perkins	\$ 10,000	1/12/01
	Sterling Vincent	\$ 10,000	1/04/01
	Layton Ricks	\$ 10,000	1/01/01
	James E. Durbin	\$ 10,000	1/01/01
	Brent Dugas	\$ 10,000	1/01/01
	City Treasurer: Horace Elkins	\$ 50,000	11/30/00
Audubon Insurance Group	Fire and Extended <u>Coverage -</u>		
	90% Co-Insurance:		
	Municipal Building	\$1,624,000	
	Contents	\$ 460,000	7/01/00
	<u>941 Government Street</u>		
	Steel Water Tank and Tower	\$ 250,000	7/01/00
	<u>110 Brignac Street</u>		
	Council on Aging Buildings	\$ 439,755	7/01/00
	<u>949 Government Street</u>		
	Fire Station Building	\$ 212,211	
	Contents	\$ 10,000	7/01/00
	<u>1100 Hatchell Lane</u>		
	Police Station and Jail Facility	\$1,350,000	
	Contents	\$ 150,000	7/01/00
	<u>447 Lamm Street</u>		
	Fire Station Building	\$ 270,504	
	Contents	\$ 12,000	7/01/00
	<u>950 Government Street</u>		

(CONTINUED)

**CITY OF DENHAM SPRINGS**

SCHEDULE OF INSURANCE COVERAGE IN FORCE (UNAUDITED) (CONTINUED)

JUNE 30, 2000

<u>Insurance</u>	<u>Coverage</u>	<u>Amount</u>	<u>Expiration Date</u>
	Office Trailer		
	Building	\$ 5,500	
	Contents	\$ 1,000	7/01/00
	<u>9150 Forest Delatte Road</u>		
	Animal Control Center		
	Building	\$ 58,000	
	Contents	\$ 2,000	7/01/00
	<u>600-C Bowman St.</u>		
Audubon Insurance Group	Youth Services		
	Office Building	\$ 218,376	7/01/00
	Contents	\$ 100,000	
	<u>940 Government Street</u>		
	Utility Warehouse		
	Building	\$ 90,000	
	Contents	\$ 30,000	7/01/00
	<u>112 Brignac Street</u>		
	Motor Pool and Ware-		
	house Building	\$ 226,800	
	Contents	\$ 75,000	7/01/00
	<u>401 N. Railroad Ave.</u>		
	Augusta Lane Pump		
	Station Building	\$ 12,000	7/01/00
	<u>Augusta Lane</u>		
	Steel Water Tank and		
	Tower	\$ 550,000	7/01/00
	<u>Pete's Highway</u>		
Louisiana Workers' Compensation Corporation	Workmen's Compensation Statutory		8/03/01
National Union Fire Insurance Company of Louisiana	General Liability	\$1,000,000	7/01/00
	Law Enforcement		
	Professional		
	Liability	\$1,000,000	7/01/00

(CONTINUED)

## CITY OF DENHAM SPRINGS

## SCHEDULE OF INSURANCE COVERAGE IN FORCE (UNAUDITED) (CONTINUED)

JUNE 30, 2000

<u>Insurance</u>	<u>Coverage</u>	<u>Amount</u>	<u>Expiration Date</u>
National Union Fire Insurance Company of Pittsburgh, PA	Public Officials and Employees Liability Errors and Omissions	\$1,000,000	7/01/00
National Union Fire Insurance Company of Pittsburgh, PA	Business Auto Liability	\$1,000,000	7/01/00
National Union Fire Insurance Company of Louisiana	Umbrella	\$2,000,000	7/01/00
National Flood Services	Flood Insurance:		
	Fire Station Building Contents	\$ 28,000	
	<u>930 Government Street</u>	\$ 20,000	5/29/01
	Youth Services Office Building Contents	\$ 55,000	
	<u>940 Government Street</u>	\$ 20,000	5/29/01
	Municipal Building Contents	\$ 215,000	
	<u>941 Government Street</u>	\$ 40,000	5/29/01
	Council on Aging Building Contents	\$ 60,000	
	<u>949 Government Street</u>	\$ 40,000	5/29/01
	Fire Station Building Contents	\$ 28,000	
	<u>1100 Hatchell Lane</u>	\$ 20,000	7/01/01
	Police Station and Jail Facility Contents	\$ 250,000	
	<u>447 Lamm Street</u>	\$ 20,000	7/01/01
	Animal Control Center Building	\$ 16,000	
	<u>600-C Bowman Street</u>		7/01/01

**CITY OF DENHAM SPRINGS**

GENERAL FUND EXPENDITURES AND  
OTHER USES BY FUNCTION

LAST TEN YEARS

<u>Year</u>	<u>Total</u>	<u>General Government</u>	<u>Cemetery</u>	<u>Tax</u>	<u>Ward Court</u>	<u>Planning and Development</u>	<u>Public Service Worker</u>
1991	\$3,161,926	\$ 485,172	\$ 24,509	\$ 50,709	\$167,353	\$ 78,373	\$ 7,204
1992	3,330,963	434,807	31,123	33,394	163,619	114,238	9,908
1993	3,540,970	470,484	49,411	77,726	172,737	116,951	9,583
1994	4,817,679	512,930	53,099	80,704	93,256*	132,130	15,409
1995	4,542,641	460,524	51,963	99,898	93,185	136,559	32,047
1996	4,715,110	566,415	54,714	113,187	52,214	118,126	49,474
1997	5,084,763	567,761	65,158	105,258	52,923 <sup>1</sup>	118,433	36,735
1998	6,079,148	589,791	65,107	127,940	53,815	149,361	57,547
1999	5,977,575	609,259	63,710	115,097	47,611	129,454	73,085
2000	6,042,546	797,211	84,230	127,521	48,649	164,428	86,852

\*In compliance with GASB-14 beginning in 1994 certain general fund expenditures made to reimburse the Court for operating expenditures of the Court are now shown as Other Uses - Transfers to Component Units.

<sup>1</sup>Beginning in fiscal year 1997, salaries for the public service supervisor was allocated to Public Service Workers instead of Ward Court.

SOURCE: Annual Audited General Purpose Financial Statements.



Schedule 3

<u>Summer Food Program</u>	<u>Animal Control</u>	<u>Fire</u>	<u>Police</u>	<u>Streets and Lighting</u>	<u>Health</u>	<u>Culture and Recreation</u>	<u>Other Uses</u>
16,854	\$29,208	\$491,801	\$ 970,726	\$ 483,027	\$10,505	\$ -	\$ 346,485
14,653	20,676	663,085	986,510	517,787	11,163	-	330,000
12,507	21,450	610,281	981,010	753,302	18,285	-	247,243
12,373	21,103	691,075	1,157,293	812,850	19,334	-	1,216,123
12,030	27,306	741,461	1,255,312	844,274	18,977	-	769,105
16,683	30,963	763,037	1,450,946	752,513	19,606	-	727,232
11,692	32,541	917,192	1,553,477	881,121	18,723	17,083	706,666
12,908	54,346	930,801	1,677,296	782,805	24,695	48,462	1,504,274
7,997	50,962	909,489	1,840,913	820,329	36,144	56,570	1,216,955
-	47,983	962,111	2,141,501	1,057,353	33,450	115,873	375,384

# CITY OF DENHAM SPRINGS

## GENERAL FUND REVENUES AND OTHER FINANCING SOURCES

### LAST TEN YEARS

<u>Year</u>	<u>Total</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Fines and Forfeits</u>	<u>911 Service Fees</u>
1991	\$3,331,782	\$2,578,325	\$ 343,011	\$ 230,490	\$ -
1992	3,650,284	2,770,433	352,892	210,804	-
1993	3,949,216	3,009,363	373,304	236,173	-
1994	4,454,331	3,267,098	419,813	238,133	50,034
1995	4,777,392	3,490,035	521,309	243,707	112,984
1996	5,224,269	3,871,998	520,631	189,498	131,040
1997	5,356,854	4,001,014	549,065	173,708	153,783
1998	5,622,484	4,166,264	543,224	191,915	165,314
1999	6,131,685	4,521,898	625,763	174,827	185,202
2000	6,559,820	4,908,105	658,740	205,178	188,662

# CITY OF DENHAM SPRINGS

## GENERAL FUND TAX REVENUES BY SOURCE

### LAST TEN YEARS

<u>Year</u>	<u>Total</u>	<u>General Property Taxes</u>	<u>Alcoholic Beverage &amp; Cable T.V.</u>	<u>Chain Store Tax</u>	<u>Electrical Franchise Tax</u>	<u>Sales Tax</u>
1991	\$2,578,325	\$107,272	\$ 39,966	\$10,527	\$330,659	\$2,045,492
1992	2,770,433	107,323	51,681	9,790	334,592	2,222,095
1993	3,009,363	107,672	59,192	10,510	345,708	2,440,746
1994	3,267,098	114,676	65,384	10,911	382,869	2,571,786
1995	3,490,035	123,055	68,918	12,595	354,770	2,749,728
1996	3,871,998	128,952	79,655	11,085	410,645	3,035,569
1997	4,001,014	131,255	79,430	12,270	377,544	3,182,993
1998	4,166,264	126,772	79,889	11,984	398,317	3,334,669
1999	4,521,898	138,954	93,593	15,535	397,231	3,655,439
2000	4,908,105	135,970	128,082	17,690	432,712	4,149,183

SOURCE: Annual Audited General Purpose Financial Statements.

Schedule 4

<u>Interest</u>	<u>Miscellaneous</u>	<u>Other Financing Sources</u>
\$ 17,257	\$160,510	\$ 2,189
29,235	286,920	-
37,594	291,359	1,423
35,945	427,504	15,804
38,374	351,457	19,526
79,822	418,027	13,253
85,202	379,707	14,375
107,266	430,469	18,032
76,973	533,021	14,001
89,229	490,085	19,821

Schedule 4A

<u>Tobacco Taxes</u>	<u>Wrecker Franchise Tax</u>	<u>Video Poker Fees</u>
\$43,684	\$ 725	\$ -
44,737	215	-
44,655	880	-
42,998	1,740	76,734
42,282	2,260	136,427
42,578	1,820	161,694
42,564	1,870	173,088
42,571	2,160	169,902
42,571	2,105	176,470
42,571	1,897	-

CITY OF DENHAM SPRINGS  
PROPERTY TAX LEVIES AND COLLECTIONS  
 LAST TEN YEARS

<u>Year</u>	<u>Total Tax Levy<sup>1</sup></u>	<u>Collections</u>	<u>Percent of Levy Collected</u>	<u>Prior Year Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Collections To Tax Levy</u>
1991	\$103,053	\$102,059	99.04%	\$ -	\$102,059	99.04%
1992	102,466	101,472	99.03%	-	101,472	99.03%
1993	108,202	106,516	98.44%	-	106,516	98.44%
1994	119,742	117,232*	97.90%	631	117,863	98.43%
1995	126,271	124,184	98.35%	1,762	125,946	99.74%
1996	129,745	128,135	98.76%	1,379	129,514	99.82%
1997	130,850	129,826	99.22%	1,493	131,319	100.36%
1998	128,904	124,877	96.88%	452	125,329	97.23%
1999	140,063	134,660	96.14%	4,545	139,205	99.38%
2000	148,065	130,600	88.20%	1,310	131,910	89.09% <sup>1</sup>

\*Total 1994 collections includes \$3,187 of collections which were subsequently unaccounted for.

<sup>1</sup>"Total Tax Levy" represents the taxpayer portion of the original levy of the Assessor and is the amount to be paid by the taxpayer. The amounts to be paid by the taxpayer are ultimately collected in full except for adjustments due to assessment errors or delayed homestead exemptions.

SOURCE: City of Denham Springs Tax Office.

<sup>1</sup>During fiscal year ended June 30, 2000, numerous Louisiana Tax Commission Change Orders occurred reducing the percent of levy collected.

## CITY OF DENHAM SPRINGS

ASSESSED AND ESTIMATED ACTUAL VALUE  
OF TAXABLE PROPERTY

LAST TEN YEARS

<u>Year</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Ratio of Total Assessed Value to Total Estimated Actual Value*</u>
1991	\$22,402,820	\$203,662,000	11%
1992	22,275,120	202,501,091	11
1993	21,961,990	199,654,455	11
1994	25,282,810	229,843,727	11
1995	26,809,190	243,719,909	11
1996	27,546,730	250,424,818	11
1997	31,914,520	290,132,000	11
1998	31,439,890	285,817,200	11
1999	34,161,710	310,561,000	11
2000	36,113,430	328,303,900	11

\*Actual Valuation (Market Value) as Compared to Assessed Valuation

Residential properties are assessed at 10% of fair market value; commercial and industrial properties, excluding land, are assessed at 15%. The overall assessed value is estimated to be 11% of actual market value.

SOURCE: Livingston Parish Assessor's Grand Recapitulation of the Assessment Roll for the Parish of Livingston.



# CITY OF DENHAM SPRINGS

## PROPERTY TAX RATES AND TAX LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN YEARS

<u>Year</u>	<u>City</u>	<u>Parishwide<sup>1</sup> Tax Rates</u>	<u>School District #1 (Mills Per Dollar)</u>	<u>Parish</u>	
				<u>Drainage District #1</u>	<u>Recreation District #3</u>
1991	4.60	55.02	21.80	5.52	18.33
1992	4.60	56.25	24.34	5.00	18.88
1993	4.71	51.42	22.70	7.50	39.88
1994	4.71	59.24	22.47	7.50	34.88
1995	4.71	59.24	18.74	7.50	30.89
1996	4.71	68.70	61.72	7.50	15.00
1997	4.10	67.45	53.29	7.03	30.00
1998	4.10	67.45	41.87	5.03	20.00
1999	4.10	64.56	33.64	4.53	18.00
2000	4.10	64.56	28.22	4.53	18.00

## TAX LEVIES

1991	\$103,053	\$ 808,089	\$ 320,181	\$ 81,073	\$269,216
1992	102,466	815,439	352,850	72,484	273,698
1993	108,202	747,344	329,925	109,006	579,621
1994	119,742	938,215	355,869	118,781	552,413
1995	125,271	1,006,853	318,508	127,471	525,011
1996	129,745	1,193,129	1,071,905	130,254	260,508
1997	130,850	1,414,565	1,117,601	147,432	629,162
1998	128,904	1,359,568	843,960	101,388	403,134
1999	140,063	1,477,355	769,799	103,662	411,902
2000	148,065	1,542,418	674,211	108,227	430,042

The tax levies represent the original levy of the assessor less the homestead exemption amounts.

<sup>1</sup>Parishwide - includes all or some of the following:  
Parish/Local, Dixon Sinking, Courthouse Sinking, Road Equipment/  
Maintenance, Drainage Tax, Courthouse Maintenance, Health Unit,  
Library, Assessor, Law Enforcement, School Parishwide Constitutional  
Tax, School Parishwide Additional Support, School Parishwide District  
#5, School Parishwide Special Maintenance.

SOURCE: Livingston Parish Assessor's Grand Recapitulation of the  
Assessment Roll for the Parish of Livingston.

<u>Law Enforcement</u> <u>District</u>	<u>Juvenile Detention</u> <u>Center</u>	<u>Total</u>
12.21	-	117.48
12.50	-	121.57
12.51	-	138.72
12.51	-	141.31
12.51	-	133.59
12.51	-	170.14
12.51	3.00	177.38
12.51	3.00	153.96
12.51	3.00	140.34
12.51	3.00	134.92
 \$ 179,331	 \$ -	 \$1,760,943
181,209	-	1,798,146
181,822	-	2,055,920
198,127	-	2,283,147
212,622	-	2,316,736
217,264	-	3,002,805
262,360	62,916	3,764,886
252,160	60,470	3,149,584
286,272	68,650	3,257,703
298,879	71,674	3,273,516

CITY OF DENHAM SPRINGS  
SPECIAL ASSESSMENT COLLECTIONS  
 LAST TEN YEARS

<u>Year</u>	<u>Assessments Beginning of Year</u>	<u>Additions and Adjustments</u>	<u>Collections</u>	<u>Assessments End of Year</u>
1991	\$ -	\$ -	\$ -	\$ -
1992	-	-	-	-
1993	-	-	-	-
1994	-	133,210 <sup>1</sup>	23,535	109,675
1995	109,675	-	20,860	88,815
1996	88,815	-	30,511	58,304
1997	58,304	-	14,112	44,192
1998	44,192	-	8,525	35,667
1999	35,667	-	8,057	27,610
2000	27,610	-	10,540	17,070

<sup>1</sup>Lakeland Acres Subdivision Paving Project.

SOURCE: Annual Audited General Purpose Financial Statements.

**CITY OF DENHAM SPRINGS**  
**STATEMENT OF LEGAL DEBT LIMIT**

**General Bonded Indebtedness**

**POWER TO INCUR DEBT**

Municipal corporations, parishes and school districts, roads, sewerage, waterworks and drainage districts, hospital service districts, fire protection districts, and gas utility districts may incur debt and issue negotiable bonds. (LRS 39:551)

**LIMIT OF INDEBTEDNESS**

No debt shall be incurred and bonds issued by any local government for any one of the purposes herein provided, which, including the existing bonded debt of such government, shall exceed in the aggregate ten percent of the assessed valuation of the taxable property. However, the governing authority of a municipality may incur debt and issue bonds therefore as provided in this Subsection, for the purpose set forth in Louisiana R.S. 39:553, which may exceed ten percent for any one of such purposes, provided that the aggregate for all of such purposes determined at the time of issuance of the bonds does not exceed thirty-five percent of the assessed valuation of the taxable property of the municipality. (LRS 39:562)

**MUNICIPAL PURPOSES**

The governing authorities of municipal corporations, including cities, towns and villages, may incur debt and issue bonds of the municipal corporations for the following purposes: opening, constructing, paving and improving streets, sidewalks, roads and alleys; constructing bridges; purchasing or constructing waterworks; sewers and sewerage disposal works; drains, drainage canals, and pumping plants; waste disposal facilities; facilities for pollution control and abatement; light and power plants; gas plants; artificial ice and refrigerating plants; halls; courthouses; jails; public markets and abattoirs; fire department stations and equipment; hospitals; auditoriums; public parks; natatoriums; libraries; school houses; teachers' homes; and other public buildings; docks, wharves, and river terminals; acquiring and/or improving lands for industrial parks, within or without the corporate limits of the municipality; and other works of public improvement as the legislature may expressly authorize. Debt may be incurred and bonds may be issued for the necessary equipment and furnishings for the works, buildings and improvements. (LRS 39:553)

### MAXIMUM DURATION AND INTEREST LIMITATION

No bonds issued shall run for a period longer than forty (40) years, or bear a greater rate of interest than the rate set in the proposition approved at the election or be sold for less than par. (LRS 39:563, 39:1424)

### ISSUING BONDS: VOTE BY TAXPAYERS

A majority of all qualified voters voting thereon must vote in favor of the proposition to incur debt and issue bonds. (LRS 39:561)

### LEVY OF TAXES

The governing authority shall impose and collect annually in excess of all other taxes, a tax on the property subject to taxation sufficient to pay annual principal and interest on these bonds. (LRS 39:569)

Total Assessed Value of Taxable Property	\$36,113,430
--	--------------

	<u>10% of</u>	<u>35% of</u>
	<u>Assessed Valuation</u>	<u>Assessed Valuation</u>
Legal Debt Limitation	\$3,611,343	\$12,639,700

There are no outstanding bonds secured by ad valorem taxes of the City of Denham Springs as of June 30, 2000.



# CITY OF DENHAM SPRINGS

## RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA

LAST TEN YEARS

<u>Year</u>	<u>Population<sup>1</sup></u>	<u>Assessed Value<sup>2</sup></u>	<u>General Obligation Bonded Debt</u>	<u>Less Debt Service Fund<sup>3</sup></u>
1991	8,381	\$22,402,820	\$ -	\$ -
1992	8,784	22,275,120	-	-
1993	8,538	21,961,990	-	-
1994	8,655	25,282,810	-	-
1995	8,797	26,809,190	-	-
1996	8,902	27,546,730	-	-
1997	9,011	31,914,520	-	-
1998	9,171	31,439,890	-	-
1999	9,248	34,161,710	-	-
2000	9,175	36,113,430	-	-

SOURCES: <sup>1</sup>Estimates prepared by Capital Region Planning Commission.  
<sup>2</sup>Livingston Parish Assessor's Grand Recapitulation of the Assessment Roll for the Parish of Livingston.  
<sup>3</sup>Amount available in Debt Service Fund for repayment of General Obligation Bonds. Annual Audited General Purpose Financial Statements.

Schedule 10

<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
\$ -	- %	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-

## CITY OF DENHAM SPRINGS

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES  
FOR GENERAL BONDED DEBT TO TOTAL GENERAL  
GOVERNMENTAL EXPENDITURES

LAST TEN YEARS

<u>Year</u>	<u>Principal</u>	<u>Interest<sup>1</sup></u>	<u>Total Debt Service<sup>2</sup></u>	<u>Total General Governmental Expenditures<sup>3</sup></u>	<u>Ratio of Debt Service to General Governmental Expenditures</u>
1991	\$ -	\$ -	\$ -	\$3,162,660	- %
1992	-	-	-	3,330,963	-
1993	-	-	-	3,540,970	-
1994	-	-	-	4,817,679	-
1995	-	-	-	4,542,641	-
1996	-	-	-	4,715,110	-
1997	-	-	-	5,084,763	-
1998	-	-	-	6,079,148	-
1999	-	-	-	5,977,575	-
2000	-	-	-	6,042,546	-

<sup>1</sup>Excludes paying agent fees and other costs.

<sup>2</sup>Total Debt Service includes general obligation bonds only. (Does not include Special Assessment Certificates of Indebtedness or Revenue Bonds issued by the Utility Enterprise Fund.)

<sup>3</sup>Expenditures and Other Uses of the General, Special Revenue, and Debt Service Funds, excluding the expenditures of the Special Assessment Debt Service Fund and 1988 Certificates of Indebtedness Debt Service Fund.

SOURCE: Annual Audited General Purpose Financial Statements.

## CITY OF DENHAM SPRINGS

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

JUNE 30, 2000

	<u>Gross Debt Outstanding</u>	<u>Amounts In Debt Service Fund For Principal</u>	<u>Net Debt Outstanding</u>	<u>City of Denham Springs Share of Percent</u>	<u>Debt</u>
<u>GOVERNMENTAL UNIT:</u>					
City of Denham Springs	\$ -	\$ -	\$ -	100%	\$ -
<u>OTHER GOVERNMENTAL AGENCIES</u>					
School District #1	\$ 8,627,956	\$ 923,089	\$7,704,867	42%	\$3,236,044
Jail Bonds:	20,143	-	20,143	17%	3,424
	54,164	-	54,164	17%	9,208
	215,000	-	215,000	17%	36,550
Gravity Drainage District No. 1	80,000	80,000	-	48%	-
Recreation District No. 3	<u>2,425,000</u>	<u>453,215</u>	<u>1,971,785</u>	48%	<u>946,457</u>
Total Other Governmental Agencies	<u>\$11,422,263</u>	<u>\$1,456,304</u>	<u>\$9,965,959</u>		<u>\$4,231,683</u>
Total Direct and Over- lapping Debt	<u>\$11,422,263</u>	<u>\$1,456,304</u>	<u>\$9,965,959</u>		<u>\$4,231,683</u>
2000 City Population					9,175
Per Capita					\$ 461

**CITY OF DENHAM SPRINGS**  
**SUMMARY OF REVENUE BOND COVERAGE**  
**LAST TEN YEARS**

Utility Enterprise Fund

<u>Year</u>	<u>Gross Revenue<sup>1</sup></u>	<u>Other Financial Sources</u>	<u>Expenses<sup>2</sup></u>	<u>Other Uses<sup>3</sup></u>	<u>Available for Debt Service</u>
1991	\$3,159,926	\$ -	\$2,245,740	\$ 82,189	\$ 831,997
1992	3,272,272	-	2,225,549	-	1,046,723
1993	3,453,344	-	2,403,230	-	1,050,614
1994	3,883,907	-	2,733,004	5,108	1,145,795
1995	3,561,853	-	2,576,764	-	985,089
1996	4,042,911	200,000 <sup>4</sup>	2,998,298	-	1,244,613
1997	3,960,407	200,000 <sup>4</sup>	3,038,828	-	1,121,579
1998	4,261,063	-	3,176,498	-	1,084,565
1999	4,006,415	-	3,061,149	-	945,266
2000	4,308,006	-	3,349,639	-	958,367

<sup>1</sup>Total Operating Revenues plus Non-Operating Revenues.

<sup>2</sup>Total Operating Expenses plus Non-Operating Expenses less Depreciation and Debt Service Interest on Revenue Bonds.

<sup>3</sup>Operating Transfers Out.

<sup>4</sup>Operating Transfers In.

<sup>5</sup>Includes the paydown of old debt of \$255,524 at advance refunding. Reduced interest rate from 11.0% to 7.2%.

SOURCE: Annual Audited General Purpose Financial Statements.



<u>Debt Service Requirements</u>			
<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
\$ 112,993	\$321,633	\$ 434,626	1.92%
115,564	308,928	424,492	2.47
118,433	296,351	414,784	2.54
121,637	283,236	404,873	2.84
125,214	269,759	394,973	2.49
129,207	255,874	385,081	3.23
128,374	241,685	370,059	3.03
132,735	227,441	360,176	3.01
453,582 <sup>s</sup>	124,029	577,611	1.64
219,438	105,090	324,528	2.96

## CITY OF DENHAM SPRINGS

DEMOGRAPHICS STATISTICS

## LAST TEN YEARS

<u>Year</u>	<u>Population<sup>1</sup></u>	<u>Per Capita Income<sup>2</sup></u>	<u>Public School Enrollment<sup>4</sup></u>	<u>Unemployment Livingston Parish<sup>3</sup></u>	<u>Unemployment Labor Market Area<sup>3</sup></u>
1991	8,381	\$ 9,946	16,150	7.7%	5.4%
1992	8,784	13,302	16,600	9.1	6.2
1993	8,538	14,330	17,000	8.8	6.4
1994	8,655	14,737	17,400	9.5	6.6
1995	8,797	15,631	18,100	10.5	7.4
1996	8,902	17,017	18,177	8.5	6.1
1997	9,011	17,930	18,522	6.4	5.5
1998	9,171	18,376	18,851	6.4	5.6
1999	9,248	N/A	19,425	5.5	4.2
2000	9,175	20,194	19,648	5.1	4.8

<sup>1</sup>Population of City of Denham Springs from State Treasurer's Office.

<sup>2</sup>Parishwide Per Capita Income Per Capital Region Planning Commission.

<sup>3</sup>Per Capital Region Planning Commission.

<sup>4</sup>Livingston Parish School Board.

## CITY OF DENHAM SPRINGS

CONSTRUCTION

## LAST TEN YEARS

<u>Residential Construction</u>			<u>Commercial Construction</u>	
<u>Year</u>	<u>Number of Permits</u>	<u>Value</u>	<u>Number of Permits</u>	<u>Value</u>
1991	5	\$ 331,000	1	\$1,273,900
1992	18	1,344,000	1	300,000
1993	35	2,336,500	10	5,324,500
1994	37	2,816,721	8	1,982,600
1995	42	3,261,150	9	7,233,000
1996	104	5,417,150	34	4,987,980
1997	72	2,471,903	50	11,121,905
1998	85	2,448,471	62	8,739,416
1999	96	5,062,716	38	14,169,551
2000	94	4,040,349	34	3,649,617

SOURCE: Denham Springs Office of Planning and Development.

## CITY OF DENHAM SPRINGS

PRINCIPAL SALES TAXPAYERS

JUNE 30, 2000

<u>Taxpayer</u>	<u>Type of Business</u>
Wal-Mart Store	General Merchandise
Winn-Dixie Store	Retail Grocery
Walgreens Store	Retail Pharmacy
James Drugstore	Retail Pharmacy
Rite-Aid (Formerly K&B Drug Store)	Retail Pharmacy
Smith Building Supply, Inc.	Retail Hardware
Dollar General Store	Retail Merchandise
Ryan's	Retail Food
Autozone Store	Retail Auto Parts
Picadilly Cafeteria	Retail Food

SOURCE: Livingston Parish School Board - Sales Tax Office.

**CITY OF DENHAM SPRINGS**MISCELLANEOUS STATISTICS

JUNE 30, 2000

Date of Incorporation	May 8, 1903
Form of Government	Mayor - City Council Lawrason Act
Area	City 6 square miles Parish 642 square miles
Fire Protection:	
Number of Stations	2
Number of Firefighters and Officers	20
Number of Volunteer Firemen	7
Police Protection:	
Number of Stations	1
Number of Police Officers	25
Sewers:	
Number of Pumping Stations	32
Type of Treatment System	Rock Reed Filter
Employees:	
Number of Employees	146
Municipal Utilities:	
Number of Gas Customers	4,462
Number of Sewer Customers	5,188
Number of Water Customers	6,141
Number of Waste Disposal Customers	3,215
City Sales Tax Rate	1.5%



CITY OF DENHAM SPRINGS, LOUISIANA  
INTERNAL CONTROL AND COMPLIANCE  
REPORTS REQUIRED BY GOVERNMENT AUDITING  
STANDARDS AND OMB CIRCULAR A-133

YEAR ENDED JUNE 30, 2000

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date \_\_\_\_\_

CITY OF DENHAM SPRINGS, LOUISIANA

Single Audit Reports

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF THE GENERAL PURPOSE  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS



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September 1, 2000

The Mayor and Members of  
the City Council  
City of Denham Springs  
Denham Springs, Louisiana

We have audited the general purpose financial statements of the City of Denham Springs, Louisiana, as of and for the year ended June 30, 2000, and have issued our report thereon dated September 1, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### **Compliance**

As part of obtaining reasonable assurance about whether the City's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards, which is described in the accompanying Summary Schedule of Prior Audit Findings as item 99-1.

## **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2000-1 through 2000-4.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described in the accompanying Schedule of Findings and Questioned Costs is a material weakness. We also noted other matters involving the internal control over financial reporting, which we have reported to the City's management in a separate letter dated September 1, 2000.

This report is intended for the information of management and the Office of the Legislative Auditor, State of Louisiana, and federal awarding agencies and pass-through entities. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the City of Denham Springs, Louisiana, is a matter of public record.

Respectfully submitted,

*Hannis T. Bougeois, LLP*



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO ITS MAJOR PROGRAM  
AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133



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September 1, 2000

The Mayor and Members of  
the City Council  
City of Denham Springs  
Denham Springs, Louisiana

### **Compliance**

We have audited the compliance of the City of Denham Springs, Louisiana with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to the City's major federal program for the year ended June 30, 2000. The City's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Denham Springs, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2000.

### **Internal Control Over Compliance**

The management of the City of Denham Springs, Louisiana is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

### **Schedule of Expenditures of Federal Awards**

We have audited the general purpose financial statements of the City of Denham Springs, Louisiana as of and for the year ended June 30, 2000, and have issued our report thereon dated September 1, 2000. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended for the information of management and the Office of the Legislative Auditor, State of Louisiana, and federal awarding agencies and pass-through entities. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the City of Denham Springs, Louisiana, is a matter of public record.

Respectfully submitted,

*Hannis J. Bougeois, LLP*

# CITY OF DENHAM SPRINGS

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2000

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Justice</u>		
Office of Community Oriented Policing Services	16.710	\$ 77,761
Local Law Enforcement Block Grant	16.592	22,128
Small Communities Grant	16.592	<u>2,857</u>
		102,746
Passed Through Louisiana Commission on Law Enforcement and Administration of Criminal Justice:		
Intelligence Unit	16.579	1,500
Integrated Criminal Apprehension	16.579	8,904
Electronic Equipment Grant	16.579	1,112
Criminal Enforcement Administration	16.579	4,303
Bullet Proof Vest Partnership	16.579	3,000
Criminal Patrols	16.579	8,541
Criminal Patrols	16.579	5,488
Violence Prevention	16.579	<u>1,573</u>
Total Passed Through Louisiana Commission on Law Enforcement and Administration of Criminal Justice		<u>34,421</u>
Total U.S. Department of Justice		137,167
<u>U.S. Environmental Protection Agency</u>		
Passed Through State of Louisiana Department of Environmental Quality:		
Wastewater Treatment Facility Project	66.418	<u>180,358</u>
Total Expenditures of Federal Awards		<u>\$ 317,525</u>

The above Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting.

**CITY OF DENHAM SPRINGS**

**SCHEDULE OF FINDINGS AND QUESTIONED COST**

**YEAR ENDED JUNE 30, 2000**

**A. Summary of Audit Results -**

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the City of Denham Springs, Louisiana.
2. No material weaknesses relating to the audit of the general purpose financial statements are reported in the Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of the General Purpose Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the City were disclosed during the audit.
4. No material weaknesses relating to the audit of the major federal award program is reported in the Independent Auditor's Report on Compliance with Requirements Applicable to Its Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award program for the City expresses an unqualified opinion.
6. The audit disclosed no findings which are required to be reported under Section 510(a) of OMB Circular A-133.
7. The following program was tested as a Type "B" major program:

Federal Grantor/  
Passthrough Grantor/  
Program Name

CFDA  
Number

U.S. Environmental Protection Agency

Passed through State of Louisiana  
Department of Environmental Quality -  
Wastewater Treatment Facilities Project

66.418



## CITY OF DENHAM SPRINGS

### SCHEDULE OF FINDINGS AND QUESTIONED COST (CONTINUED)

YEAR ENDED JUNE 30, 2000

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The City was determined to be a low-risk auditee.

#### **B. Findings - Financial Statements Audit -**

##### 2000-1 Finding:

In the current year we noted a deterioration of communication in all cycles comprising the City's accounting/finance department. Unless communication among the various accounting/finance personnel is improved, the other recommendations cited below will be difficult, if not impossible, to effectively implement. Another weakness of the accounting/finance department is that the current organizational structure of this department also contributes to the lack of communication. Currently, all accounting/finance employees are not reporting to the City Treasurer and the City Treasurer doesn't have access to all cycles (payroll, purchasing, fixed assets, etc.) which comprise the accounting/finance function. A proper organizational structure and unrestricted access by the City Treasurer to the various cycles is required for a proper review process to occur. The City Treasurer should primarily act in a supervisory type position in that all reconciliations, reports, etc. prepared by the other accounting personnel responsible for a particular cycle should be submitted to the City Treasurer for review and approval. This overall review process is essential to ensure that the general ledger and ultimately the financial statements of the City are materially accurate and complete.

##### Recommendation:

We recommend the City reevaluate the overall organizational chart and make changes where necessary. All accounting cycles should be under the direction of the City Treasurer who then must report to the Mayor.

##### Management's Response:

Management concurs with this finding and plans to reevaluate its organizational chart.

## **CITY OF DENHAM SPRINGS**

### **SCHEDULE OF FINDINGS AND QUESTIONED COST (CONTINUED)**

**YEAR ENDED JUNE 30, 2000**

#### **2000-2 Finding:**

It was noted that there is an overall lack of segregation of duties in this area in that the same person who processes the payroll and prints checks, also has custody of the Mayor's signature stamp. Furthermore, no other employee is cross-trained in the payroll area who could fill in and process the payroll in the absence of the payroll clerk.

#### **Recommendation:**

Considering that the largest expense of the City is payroll and related benefits, it is essential that proper segregation of duties be maintained and other employees be cross-trained in this area. In addition, the individuals working in this department must understand fully the accuracy required in the maintaining of all payroll and payroll related accounts. This includes, but is not limited to, all group insurance withholdings, retirement withholdings, government withholdings, credit union withholdings, etc. Finally, these individuals must fully understand all the City's policies concerning payroll, accrued leave and sick days. With the segregation of duties in place, the City Treasurer should be given access to the payroll system so that he may review payroll and the review can be completed timely and accurately. The review process is currently not possible with the organizational structure of the department.

#### **Management's Response:**

Management concurs with this finding and has rearranged the duties of certain employees.

#### **2000-3 Finding:**

It was noted that the City was assessed and paid approximately \$3,000 in payroll tax penalties and interest, for the quarter ended December 31, 1999 for late and insufficient payroll tax deposits.

#### **Recommendation:**

Since penalties and interest assessed for late or insufficient payroll tax payments can accumulate in a short amount of time, it is imperative that the City remain current in its payment of payroll taxes. The individual responsible for making these payments timely should fully understand the requirements of making payroll tax payments on a timely basis.

#### **Management's Response:**

Management concurs with this finding and has reassigned the duties of certain employees.

## **CITY OF DENHAM SPRINGS**

### **SCHEDULE OF FINDINGS AND QUESTIONED COST (CONTINUED)**

**YEAR ENDED JUNE 30, 2000**

#### **2000-4 Finding:**

It was noted that for the current year no formal reconciliation forms are being completed for the various payroll deductions, liability and expense accounts including group health insurance. The group health insurance liability and expense accounts were overstated since the payroll system was automatically accruing the entire monthly premium each payroll period rather than only the first payroll of the month. After extensive research and time spent by the City's staff all necessary adjustments were made prior to the closeout of the June 30, 2000 working trial balances.

Furthermore, errors relating to employee/dependent coverages, withholdings and corresponding premium payments on health insurance and life insurance plans were noted. In addition, as of June 30, 2000, there are approximately \$15,000 in amounts due to the City from current and previous employees and insurance carriers for overpayments and underpayments of various insurance payments.

#### **Recommendation:**

We recommend that a monthly reconciliation of the various payroll deduction liability and expense accounts be performed to properly balance the accounts and to determine if there has been any underpayments or overpayments. Furthermore, the City should attempt to collect all balances due from the employees and insurance carriers referred to above.

In addition, we recommend a complete review of all employee health and life insurance premiums be done whereby City personnel would compare the amounts listed on the monthly invoices received from the insurance carriers (listed by employee) to the amounts of coverages requested by the employee per the personnel files for that employee and his dependents. This review would verify that the City is paying the correct premiums as well as withholding the proper amounts and proper coverages are in force. This review should be done especially since general ledger accounts are not being reconciled to the invoices and the corresponding payments made to insurance carriers. Also, this review should be done to avoid any potential liabilities that may arise if incorrect coverages are in place.

#### **Management's Response:**

Management concurs with this finding and has rearranged the duties of certain employees. Management has also assigned the monthly reconciliation process and the review coverages to a particular employee.

#### **C. Findings and Questioned Costs - Major Federal Award Program Audit -**

None

**CITY OF DENHAM SPRINGS**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**YEAR ENDED JUNE 30, 2000**

(99-1) - Possible Compliance Violation (LSA-R.S. 42:1101, et seq.):

Finding:

During our prior year compliance testing several individual employee relationships were questioned. Upon the request of City management the City's attorney investigated these relationships regarding nepotism among City employees. As per the attorney's findings only two relationships had the potential to fall within the prohibitions of the Code of Governmental Ethics.

Recommendation:

We recommended that the City's attorney prepare an agency head report to the Board of Governmental Ethics with a full disclosure of all facts and circumstances surrounding those relationships. The City should then implement each recommendation, if any, of the Ethics Commission immediately.

Corrective Action Taken:

An agency head report was prepared by the City's Attorney to the Board of Governmental Ethics giving full disclosure of all facts and circumstances surrounding those questioned relationships. Prior to completion of this report, one of the relationships questioned was no longer a potential prohibited relationship since one of the employees resigned. As of the date of our report the City is awaiting a response to this report.